MILITARY GOVERNMENTS AND ECONOMIC DEVELOPMENT: A CASE STUDY OF NIGERIA FROM 1960-2000.

BY

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Finally, in completing this research, I have made references to other peoples works, all of which I have fully acknowledged. I also hereby declare that this research

is original and that it has not been submitted in part or whole for the award of any or other degree. I take full responsibilities for the contents of this research.

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ABSTRACT

Through a study of the history and performance of successive military regimes, this thesis examines the role of military governments in economic development, particularly the creation of a market-enabling environment in Nigeria. The key question underlying this research is: did the policies formulated and implemented by the different military governments accelerate or decelerate economic, and concomitantly markets developments in Nigeria? . Essentially, an evaluation of the military governments (1966-1999), is undertaken to determine the nature of the linkage, if any, between regimes and economic and market development policies. Also evaluated are two civilian governments within the relevant period, and only as a reference point to more effectively identify the military's role in economic development.

Regime profile outlines the scope and economic effects of policies; case studies of the individual regimes illustrate the underlying reasons for economic underperformance. Measured in real terms and relative to its contribution to the welfare of the average citizen, the study shows that successive military governments' relative economic development achievements are not commensurate with the magnitude of resources expended. Indeed that the decades of military regimes have not seen, in real terms, any significant improvements in the distribution of national income and wealth. Indications also are that the military structure and its paternalistic policy accommodation account for much of the pervasive corruption found all through the regimes. Also identified is the role of the institutional civil service in policy formulation and implementation.

CHAPTER ONE

INTRODUCTION TO THE STUDY

RESEARCH PROBLEMS

Due to the near non-existent political involvement of the military in governments of the sub-Saharan Africa (SSA) prior to the mid-1960s intervention deluge, there was relatively little scholarly research on the role of the military either in politics or in economic management. That was then. However, the situation changed rather dramatically in the decades of 1970s, 1980s and 1990s.With the dominant presence of the military in governments in much of the region, it became apparent that the military is a critical institution in the formulation and implementation of national political and economic policies. Its new position and relevance have thus earned the military a new status, entailing a political and economic role that would be different both in scope and emphasis from that which it had traditionally performed.

It would appear that earlier inquiries into the role of the military in civil society were limited in their scope, in that the research was more concerned with coups d'etat, counter-coups d'etat and the reasons for the collapse of civilian regimes, than they were with the actual functioning of the military in the implementation of political and economic policies. This was attributable to the general assumption that military intervention was an aberration, some sort of interregnum, thus few scholars have attempted a detailed examination of the policy (political and economic) implications of military intervention in Sub-Saharan Africa (SSA), and especially as it relates to outputs and outcomes. However as time progressed, a few more scholars went beyond the now traditional exercise of determining reasons for coups d'etat. They sought not only to explain military intervention (Nordlinger, 1970; Feit, 1973; and Welch, 1974), but also to evaluate the performance of the military as a ruling group (McKinlay and Cohan 1975; Jackman 1976; Bienen 1987; and Joseph, 1987). Some scholars have attempted to determine the impact of party alternation on policy output and outcomes in countries of Western and emerging Europe (Winters, 1976; Jennings, 1979; Rose, 1980; Bunce, 1981 and Garand, 1985). However, no detailed study has attempted to examine the policy implication of military alternation in power in SSA, not the least Nigeria. This thesis, with emphasis on economic and market development in Nigeria, is both an attempt to remedy these lacunae, as well as compare, and where applicable, contrast policy initiatives and performance levels under different military regimes.

The key issue underlying this research therefore, is to determine the extent to which particular military regimes impacted on overall economic development in Nigeria. Since military intervention in SSA is apparently the result of an inevitable need for change, and the introduction of something other than the *status quo*, does the regime change carry with it a harbinger: policy change? In other words, has military intervention brought with it positive or negative changes in the overall structure of the system, culminating in economic growth. Or are the political and economic structures, institutions and environment the precursors of such changes; and are they insensitive to regime type? Some analysts insist that regime type does have peculiar policy implications (Huntington 1968), while others think not (McKinlay and Cohen, 1975). It is the goal of this study to explore these issues, as they relate to Nigeria, in order to determine their effects, and if none are found, to explain their absence.

The other aim of this study is to evaluate if and why some regimes, and similar regimes at different time periods, seem to fare better than others at coping with similar problems, such as productivity, unemployment associated with surplus population, inflation, migration and the threat of economic decline, among others. It is hoped that by evaluatively juxtaposing regime response to similar problems or policy issues, important lessons may be learned. Some of these lessons may guide policy makers in recommending economic policy initiatives and/or alternatives that peculiarly suit the country's development needs and requirements. Perhaps very importantly, they may highlight critical lessons for the whole of SSA countries as they seek a path to steer their economies out of their prevailing crisis.

RESEARCH OBJECTIVES

Through a study of the history and performance of successive military regimes, this thesis examines the role of military governments in economic development, particularly the creation of a market-enabling environment in Nigeria. The key question underlying this research is: did the policies formulated and implemented by the different military governments accelerate or decelerate economic and concomitantly markets developments in Nigeria? In this regard, an evaluation of the military governments (1966-1999) is undertaken in order to determine their levels of performance. This study also attempts an evaluation of the only two civilian governments (1960-1966 and 1979-1983) within the period, but only as a relevant reference point to more effectively juxtapose any identifiable military regime performance in economic development. Essentially therefore, this study attempts to determine the nature of the linkage, if any, between regimes and economic and market development policies by specifically examining the following:

*The nature and impetus for military intervention in sub-Saharan Africa, with particular emphasis on Nigeria;

*The nature and concept of economic and market development in the relativity of "leadership" definition, interpretation and usage, and its impact and relevance on the overall well being of the citizenry;

*The role, if any, of military governments in the development of economic and other critical sub-sectors of the market;

*The changes in regimes that are associated with shifts and emphasis on the patterns and structure of policy formulation and implementation;

*Based on outputs and outcomes, relative to overall revenue generation, and assuming equal revenue predisposition, whether socio-economic development in Nigeria has been less or more effective under any particular military government; and

*The extent to which changes in regimes in Nigeria have any positive or negative correlationships on international investment and market receptivity.

These objectives examined in the light of the effects of oil revenue (which accounts for over 90 per cent of national foreign exchange earnings) on the national economy and how oil production effectively provided either the incentive or disincentive towards national policies on Agriculture, Health, Education, Industries, Public Enterprise Sector and Foreign Investment.

The picture that emerges from this study shows that, assuming equal or relatively equal revenue generation capacity, none of the various military regimes in Nigeria is distinguishable in terms of economic policy outputs and outcomes, *vis-à-vis* the well-being of the citizenry. The difference, if any, occurred during the regimes of Generals Gowon and Babangida, as a result of seemingly inevitable societal developments during their tenure: civil war and Structural Adjustment Programme.

A broad regime profile outlines the scope and economic effects of policies; case studies of the individual regimes illustrate the underlying reasons for economic underperformance. Measured in real terms and relative to its contribution to the welfare of the average citizen, therefore the study shows that successive military governments' relative economic development achievements are not commensurate with the magnitude of resources expended. Indeed, that the decades of military regimes have not seen, in real terms, any significant improvements in the distribution of national income and wealth. Indications also are that the military structure and paternalistic policy accommodation account for much of the pervasive corruption found all through the regimes.

This study also highlights the roles and influences, and indeed the impact, of multilateral institutions and international investment community sensitivities, especially their criticality toward military regimes. Also identified is the extremely critical, but barely noted, and hardly evaluated role of the institutional civil service in military governments' policy formulation and implementation. Their relevance and apparent indispensability, on policy matters, seemingly secured by their continuity of tenure, during each successive regime, warrants the contention that military governments' failure to engender significant economic development may not be unconnected with the pivotal role of the institutional civil service, as both formulator and implementor, and should therefore be evaluated in conjunction.

METHODOLOGY AND RATIONALE

In order to effectively evaluate the performance of the different military regimes in Nigeria, it is necessary that their levels of performance be compared. Two methodological approaches will be used to evaluate the performances of the regimes: qualitative and case studies.

Both methodologies will be employed because each makes a unique and valuable contribution in the effort to determine the impact of the military in economic development. The case study approach often does not, for example, allow for generalizations but tends "to be very sensitive to human agency and social processes in general" (Ragin, 1987, 35-51, 70). On the other hand, by allowing researchers to study more than a handful of successive regimes, who are peculiarly secretive at both limiting public access to information and severe at punishing breaches, the qualitative approach allows for deeper analysis of the underlying and particular factors that make for specific policy outputs and outcomes. Furthermore, the usefulness of the quantitative method is heavily dependent on the reliability of available data, hence the choice of the qualitative approach. As is the case with most countries in Africa, not the least a military regime, as in Nigeria, data collected are often unreliable. For this reason, the validity of some of the quantitative analyses on regime performance has been questioned. For example, the methodology used in large cross-national studies, including those by McKinlay and Cohan (1975) and Jackman (1976) has been criticized for their failure to consider other important variables, such as a nation's natural resources, infrastructure, size, or geographical location. Instead these studies often depend, almost exclusively, on the overall economic and statistical indicators of the country under investigation (Janowitz, 1977).

Commenting on the limitations of quantitative analysis on military regime performance in Africa, Bienen (1978, 15) notes:

> "There may be military characteristics, responses, orientations, and patterns of decision making that do not show up in cross-national analyses. That is, we may be able to capture some elements of military rule in Africa that are consequential, but we may not be able to see these elements in every case of African military rule, and we may not be able to see them via aggregate data such as growth rates, GNP, rate of urbanization, and literacy."

In order to overcome such shortcomings, the qualitative and case study approaches would be employed. It is expected that one approach should check the biases of the other. "... By combining these two approaches, we can speak about processes, correlations, and causes, and be more confident in drawing concrete conclusions about the role of succession in generating policy innovation" (Bunce, 1981,39). And yet using both methodologies raises the possibility that the results of the two dissimilar approaches may be irreconcilable (Ragin, 1987, 70).

LIMITATIONS OF THE STUDY

This study, like studies of this genre has its limitations. Although extensive interviews were conducted with senior military and civil servants during the periods 1998 and 1999, there were several difficulties that had to do with the insecurity of the miltary era. Apart from the unreliability of data, which might thus subject the cumulative finding to question, there was also the military security environment (research was conducted during the notoriously abusive military dictatorships of Generals Babangida and Abacha) which made subject respondants extremely reluctant to be interviewed, apart from the strong insistence of anonymity. Indeed it will take some time and intensive methodological experimentation and reassessment to evolve a reliable process that adequately address the kinds of research problems associated with some regions. In the circumstance, the present work may not "prove" that specific policy outputs and outcomes are a direct consequence of a particular regime's economic policy initiative, but it goes to identify policy initiatives or carry-overs that produce reasonably predictable, but nonetheless below projected, results. Too many other variables may intervene between regime decision-making and socio-economic outcomes in the country for this to be possible. For example, the oil boom of the 1970s, glut of the 1980s and partial windfall of the 1990s, all influenced and affected public policy-making in Nigeria. Particular regime's performance cannot therefore be explained away without these variables impacting.

Notwithstanding, by combining these two methodologies, this study will provide evidence that there is some causal relationship between the military regime and level of economic development in Nigeria. The shortcomings identified above notwithstanding, this study should also make a meaningful contribution to the literature of comparative military regimes' performance in Nigeria. It would also function as a guide for policy makers within (especially the emerging civilian administrations) and international organizations and investors who play significant roles in development and market activities in the country and sub-region. It is also hoped that this study would yield some significant insight in its contribution to economic and development policy articulation and implementation.

It is believed that the experience in developing countries, including Nigeria, is the inability of the state to fund every conceivable project, due to resource limitations. There must necessarily be budgetary "trade-offs" and stiff competition for scarce resources.Understandable therefore is the tendency for leaders to respond first to the needs of their primary constituency before allocating funds to other sectors. The attempt in this exercise is to determine whether there is any correlation or commonality between regimes on the one hand and regime policy focus on the other, when it comes to priority over resource allocation for projects. The expectation is that by evaluating individual regimes and their policy preoccupation, relative to their implementation of the various development plans, particularly the structural adjustment programme, it is possible to discern and evaluate realizable and actual performance levels, based on opportunity cost.

THESIS OUTLINE

In the first chapter is the introduction which details the general thrust of this research. Also introduced are the goals and underlying objectives. Also included in this chapter are the data sources, methodology and working hypothesis.

In chapter two is the general literature on military intervention in Africa; all in an attempt to explain why military intervention has become the most popular choice instrument in bringing about government change in the sub-region; and especially the circumstances leading to its occurrence in Nigeria. Also reviewed in this chapter two are the works of some of the more prominent scholars who have studied regime performance in Third World settings. Indeed, a preliminary review of the literature indicates that considerable disagreement exists among scholars regarding policy consequences between civilians and military regimes.

In chapter three, is examined the theories and concepts of development. An evaluations of the different schools of thought reveal how they equally enhance and contradict practical relevant applications of the different concepts of development. Their relevance and practicability to the Nigerian environment is also explored.

Chapter four is a background of Nigeria's geography, followed by the state of the economy and development processes from early colonial administration, the first republic, and up till the first military intervention in 1966. The focus is on how policy initiatives, and prioritization, including at the regional levels, impacted on a rapidly growing population in terms of income distribution, employment and migration patterns.

Following a description of capacity building and the state of the business environment in Nigeria, chapter five deals with the structural patterns of the changing environment of business including the legal, social, and economic impact on national economic development.

In chapter six is examined the introduction, structure and nature of the first military administration, its policy initiatives and implementation outcomes. Along the same vein is articulated the implications of disproportionate budgetary allocations in favour of military priorities, as against improvements in social and economic sub-sectors Areas specially addressed, because of their significance and the fact that theorists consider them intrinsically critical and indispensable, are Enterprise Development, Agriculture, Education and Manufacturing (Meier and Stiglitz, 2001).

In chapter seven, an attempt is made to evaluate the policy initiatives and process implementation of the second military administration, flowing directly from the inherited policies of the first; with a view to determining whether there are any correlations or commonalities between the two regimes. The expectation is that by evaluating regime's performance, relative to policy articulation and implementation, preferences if any, would be identifiable.

Following a brief description of the emergence of the second republic, which was relatively brief and un-cohesive in policy articulation, formulation and implementation, chapter eight introduces the economic development thrust of the civilian administration, especially the patrimonial orientation of its structure and institutions. This chapter also explores the states' (regional) party framework, which was very susceptible to a corrupt political process and economic mismanagement, culminating in the fall of the second republic.

Chapter nine introduces the third military administration; and focuses on the economic and political circumstances that led to its emergence, which subsequently informed the regime's policies, especially its economic emergency relief initiatives. Also discussed in this chapter are the peculiarities of the regime's tenure and the levels of its institutional and structural initiatives, which characterized its relatively short tenure. Also evaluated are the regime's policy impact, outputs and outcomes, and the managerial inflexibilities that precipitated its demise.

Chapter ten examines the fourth military administration and the very huge implications of its policy (economic and political) initiatives. Especially significant are two critical components of its policy initiatives: the structural adjustment programme and the political transition programme. Performance evaluations reveals a poorly articulated, yet most ambitious, radical, but extremely corrupt, and grossly mismanaged implementation process that failed to produce even a modicum of projected results. Policy impact, outputs and outcomes, are also evaluated.

In chapter eleven is introduced what may be characterized as a default military intervention, following the collapse of the Babangida-contrived Interim National

Government; effectively heralding the fifth military administration. Apart from reviewing the administration's signature economic development initiative, Vision 2010, this chapter also evaluates the political and economic policy focus of the administration, especially those initiatives that were deliberately structured, less for economic and market development and more for the political self-succession of the military leadership. Also evaluated are the policy impact, outputs and outcomes, of performance. Also discussed in this chapter is the brief, but eventful life span of the sixth and last military regime. Its policy initiatives and emphasis, especially the economic impact of the political transition programme that culminated in the introduction of the popularly elected civilian administration of president Olusegun Obasanjo.

In the final chapter, an attempt is made to draw together and analyze the findings of the preceding chapters as they relate to regime performance and their impact on economic development policy. More importantly, an attempt is made to provide some explanations for the sensitivity or insensitivity of policy outputs and outcome to regime type. In the process the impact of environmental constraints (domestic institutions and social ethics) on the formulation and implementation of public policies are evaluated. The other important constraint evaluated is the impact of the international environment (economic and political) on policies. Thus the role of developed countries, the international market place, and multilateral Institutions and donor organizations as they impact national policy is examined. Also evaluated in this final chapter is the role of the institutional civil service in policy articulation, formulation and implementation.

DATA COLLECTION/SOURCES

The collection and analysis of data (including case studies) was a significant phase of this study. It did not only provide the evaluative source material, enabling the tracking of "cause and effects", it also made possible a framework for retrospective analysis of interconnected, even if distinct, features of the various military governments, allowing for a more critical evaluation of their concepts and notions of development. It also enabled some evaluative generalizability for individual military regime's concepts and levels of performance. Most importantly, it made possible the carrying out of this study to completion.

The bulk of the information (included in the qualitative analysis)used in this study was derived from case studies and other related public documents, but most notably: GOVERNMENT ANNUAL BUDGETS FROM 1960-1999; NATIONAL DEVELOPMENT PLANS/NATIONAL ROLLING PLANS 1962-1999 (NDP/NRP); DIGESTS OF STATISTICS PUBLISHED BY FEDERAL OFFICE OF STATISTICS; NIGERIA ENTERPRISES PROMOTION DECREE; WHITE PAPER NATIONAL POLICY ON EDUCATION 1963-1993; LAND USE DECREE; NIGERIA INDUSTRIAL POLICY AND STRATEGY: GUIDELINES TO INVESTORS (FEDERAL GOVERNMENT PRESS, LAGOS).

Government Annual Budgets from 1960-1999, National Development Plans (covering 1st, 2nd, 3rd and 4th from 1962-1968, 1970-74, 1975-80 and 1981-1985 respectively) and the National Rolling Plans (1st 1990 – 1992), all provided a functional framework for retrospective analysis of each of the military governments, and their individual objectivity (or subjectivity) in national decision making process as it relates to specific development policies and goals embodied in their annual budgets and National Development Plans or National Rolling Plan, as applicable to each military administration).

The NDP, and to a limited extent the NRP, functioned as the primary source, from which government annual budgets and all other significant policy initiatives and/or directives (for example, the Nigeria Enterprises Promotion Decree, National Policy on Education, Industrial Policy and Strategy etc) emerge. The evaluation and assessment of both the NDP and NRP therefore provides both a quantitative and qualitative "mirror of understanding" in the process application. The Digest of Statistics published by the Federal Office of Statistics functions both as the "tracker" and provider of the statistical figures, numbers on which government heavily depend in making positive or negative evaluations on its economic performance. And because this source is one of the main sources (the others being the Economic and Financial Review, and Annual Report and Statement of Accounts, complied by the Central Bank of Nigeria) the World Bank and the IMF depend on for statistical data on Nigeria, its only prudent to rely on its authenticity for this study. To do otherwise would essentially create inconsistencies and discrepancies in the overall premise of this exercise.

CHAPTER TWO

THE MILITARY, COUPS D'ETAT AND REGIME CHANGE IN SUB-SAHARAH AFRICA

INTRODUCTION

The general belief is that the military institution is one whose only role is that of protecting the nation-state, particularly its security needs (Huntington, 1972). It therefore has no place in the civil administration of the country. When the military became a dominant presence in the governance of most countries in sub-Saharan Africa, their involvement promptly raised issues that included appropriateness, legitimacy and relevance. But perhaps more important is whether any cultural, social, political and economic necessities or peculiarities justify such role reversal; especially, when such seemingly temporary engagements or interferences assume a permanent feature. It is the aim of this chapter to explore some of the questions raised, and to determine their possible significance.

MILITARY PROFESSIONALISM AND THEORETICAL ROLE IN A NATION STATE

There is this persistently recurring question as to the proper role and place of the military in a nation-state. The prevailing suggestion is that an appropriate role is one dictated by the military's "natural" responsibilities to the state. That is one premised on three interrelated and complementary responsibilities, anchored as it were, on mandatory and unwavering obedience to the legally constituted democratic government, whatever its type or system. For the military that entails proper and appropriate representation, practical advisory functions, and effective executory responsibilities. According to

Samuel P. Huntington:

> "The military has first, a representative function, to represent the claims of military security within the state machinery. He must keep the authorities of the state informed as to what he considers necessary for the minimum military security of the state in the light of capabilities of other powers...second the military has an advisory function, to analyze and to report on the implications of alternative courses ofstate action from the military point of view...finally the military has an executive function, to implement state decisions with respect to military security, even if it is a decision which runs violently counter to his military judgement..."(1972, 72).

This patently docile and "conventionally" ascribed role for the military *vis-à-vis* the politician in a nation state may also be explained away from the traditional French Civil Law on the matter, as reflected upon by M. Duguit. He claims, "The military must be a passive tool in the hands of government. The latter can only fulfill its mission if it has the military completely at its disposal, so that the government may use it as an unconscious material force. This excludes all possibility of military leaders in any way refusing to comply with governmental orders... The state would no longer exist if military leaders were allowed to question its orders. The ideal armed force would be one that government could activate simply by pressing a button" (Raoul Girardet, 1962, 121). This contention essentially presupposes a fundamental exclusion of the military from politics and other civil participation and its potentially discipline–eroding consequences. In effect, a *de facto,* prohibition on partisan political involvement or interference by the military.

This apparent presumptuous subordination of military power to the authority of a legally constituted civil government lacks substantive basis both in reason and reality, for as Samuel E. Finer points out, even though "there is a common assumption, an unreflecting belief, that it is somehow 'natural' for the armed forces to obey civil power...no reason is adduced for showing that civilian control of the armed forces is, in fact, 'natural' " (1975, 4). Indeed the political advantages of the military in relation to the civil structures and institutions are of overwhelming superiority and relatively efficient manageability. Its superior peculiar features include central command, hierarchy, discipline, intercommunication and *espirit de corps* and a corresponding isolation and self-sufficiency (Finer, 1975, 6)

From Finer's point of view therefore, the surprise really is that the military, inspite of its superior institutional and organizational attributes, has somehow acquiesced to this subordinate role (1975, 5). This acquiescence may be better understood from the professional orientation of the military's officer corps – its core and indispensable competent component. According to some opinion, the officer, as opposed to the enlisted man, is a specialist who is peculiarly expert at directing the application of violence under certain prescribed conditions (Huntington, 1972, 17). His professional expertise in the "management of violence" imposes upon him a special social responsibility to use his professionalism solely for the benefit of the state, his client. The military profession is therefore monopolized by the state, and the military overriding responsibility is the military security of his client, the state (society). And because society has a continuing, direct and general interest in the employment of this skill for the enhancement of its own military security, the promiscuous employment of this expertise for military's own advantage must be prohibited, so as not to wreck the fabric of the society.

It would appear that the military functions purely from professional motivation, unadulterated and uncorrupted by other considerations, including economic. Clearly he does not act primarily from economic incentives. It is believed that in Western society, the vocation of officership is not well rewarded monetarily nor is his behaviour within his profession governed by economic rewards and punishments. "...The motivations of the officer are a technical love for his craft and the sense of social obligation to utilize this craft for the benefit of society...since not regulated by economic means, however the officer requires positive guides, spelling out his responsibilities to his fellow officers, his subordinates, his superiors, and the state he serves. His behaviour within the military structure is governed by a complex mass of regulations, customs, and traditions. His behaviour in relation to society is guided by an awareness that his skill can only be utilized for purposes approved by society through its political agent, the state" (Huntington 1972, 15-16). Given the experience of countries in much of Sub-Saharan Africa (SSA)----Nigeria, Ghana, Somalia, Liberia, Republic of Congo, etc ---- it is doubtful whether the same is true of their military.

It is also this level of professional expertness embodied in social responsibilities and corporate loyalty that persuades the officer to immerse himself/herself in his/her own technical tasks – management and organization of violence – and less involved in any policy issues that do not affect him militarily. Huntington maintains that the logical consequence is for the officer corps to leave politics (and mechanisms of state governance) to politicians. The officers' own responsibility becomes increasingly confined to representing the requirements of the military to the civilian authorities, giving advice to them, and, finally, when so charged, executing their decisions (Huntington, 1972).

On the other hand, the existence of Nation–States and their proper functioning within a stable civil order is the preoccupation, or *raison d'etre* of any civil government. And the existence of the military profession depends upon the presence and viability of a nation-state, capable of maintaining a military establishment and desiring to maintain such an institution because of possible threats to state security. It would seem that herein lies the mutual-dependency argument: that for their individual, independent and viable survival, they both must rely on the support system and structure of each another. In a manner of speaking therefore, some kind of need complementarities is to be found in the civilian-military relationship in a modern society.

It is along the lines of this contextual inevitability or unavoidability that a civilian-military relationship can best be appreciated, which essentially is national and institutional security. For the military therefore, its role must be to maintain and save the state against various external threats and internal subversion and insane strife, thus enabling the civil government to secure and maintain stable social, economic and political institutions that enhance societal well–being and national prosperity, manifesting in growth and (economic) development.

LEGAL FORM AND POLITICAL REALITY: THE COLLAPSE OF SEPARATION OF FUNCTIONS AND THE EMERGENCE OF THE MILITARY IN THE BODY POLITY.

The concept of military professionalism and its presumed attendant unwavering obligation and obedience of non-political involvement or participation to its client, the state, ought to as well presuppose a corresponding professionalism and unwavering obligation and responsible accountability on the part of the politician to his client, the state.

There is this prevailing notion, misconstrued and misrepresented, albeit popularized by the professional politician, to the effect that the political representatives of state (civil government) are an indistinguishable and inseparable component of the state. In other words, that the politician in civil government does not just function in a representative capacity for his client, the state, and should therefore hold office during "good behaviour" and at "the pleasure" of the state, but that the politician is himself the state. And that his conducts and actions, inseparable from the state, must not be queried when executed in the name of the state, since like the abstraction "state", he can do no wrong and must not therefore be subjected to possible reprimand and/or any levels of public accountability. The military profession, on the other hand, the argument goes, must hold "natural" obedience and responsibility to the state and, by implication, to the politician. This seemingly unwarranted presumptuousness on the part of the civil government is thought to be as unpersuasive as it is disingenuous.

It would appear however that between the politicians and the military, there exists what ought rightly be professional participants in the conduct of state's affairs; and to whom they both owe absolute, equal and corresponding responsibilities by taking the oath of allegiance to the Constitution. These professional participants who institutionally wear the distinguishable structure of the political party in government, on the one hand, and the national military establishment, on the other, must function from the primacy of national (state) interest. They are "... to support the laws of the country. This means to sustain, protect, and defend the institutions in force and the current form of the state" (Finer, 1975, 26). Indeed it would appear that the military's "natural" obedience and loyalty is one that inures to the sovereign (state) and not the politician/party *per se*. This contention also suggests that the soldier/military stands in "natural" obedience to any civilian administration (representative of state), which secures legitimate sovereign authority expressed in the will of the people, through free and secret elections held at regular intervals. For the military however, it is a duty to protect the sovereign's (state's) interest, and not that of the politician or party *per se*. To imply otherwise, would not only be tantamount to an unwarranted and illegal subordination of the state's interest, even as a farfetched proposition, its consequences are too dangerous to contemplate. General MacArthur denounced what he believed to be in existence, "a new and heretofore unknown and dangerous concept that the members of our armed forces owe primary allegiance to those who temporarily exercise the authority of the Executive Branch of Government, rather than to the country and its constitution which they are sworn to defend"(Huntington, 1972, 353).

To imply an equally valid and relevant separation of functions between institutions of state (namely the politician and the military) presupposes a corresponding obligation of responsible accountability in their separate roles, which must be held sacrosanct to the preservation of the nation–state, in whose name and on whose behalf the different contending institutions claim to act. Simply put, it obligates that in all matters of national relevance, to act in the best interest of the nation–state (the sovereign) and the preservation of its corporate existence from acts or conducts which may threaten or imminently appear to threaten its continued existence.

It is not particularly surprising therefore that almost in all cases and in all countries where the military has intervened, it has claimed to act in the national (sovereign) interest. The military, "see it as a duty to arbitrate or veto. They feel authorized to exercise it when some convulsion or decision of the civil authorities seems to them to threaten what they think are permanent interests of the state. In this conception the armed forces are not to merge into the public authorities but to remain distinct and outside them but with the power to intervene against them" (Finer, 1975, 31). It is this perception that persuades the military's seemingly self-assigned "manifest destiny" role in countries with military intervention experiences. It is in this "assigned", "moderator role", that the military in Pakistan headed by General Pervez Musharraf and in Cote d'Ivoire headed by General Robert Guei recently, (1999) sacked the elected governments of Presidents Nawa Sheriff and Henri Konan Bede respectively.

Although "national interest" is a usage phenomenally susceptible to all kinds of subjective interpretation, and therefore open to gross abuse, it is the case that in the majority of the countries with what Finer described as "low political culture" (1975, 4-6), the military has always intervened to secure or redeem tottering social, political or economic institutions on the verge of complete disintegration. And almost always, especially in Sub-Saharan Africa (SSA), they have been warmly received, on intervening, as "rescuing patriots". For indeed, there seems to be something inexplicably uninspiring about the political class in much of SSA, that in its unbridled public corruption and reckless mismanagement of state (national) affairs, it seems to hold out a perpetual and continuing invitation to the military to intervene (B.N. Ayittey, 1992, 136-139; The Economist, May 22, 1999, 52).

It would appear however that what happens to the military after its initial "corrective" intervention is the blatant "corruptiveness" of its tenure, as they, in the words of Finer, "fall in love with the power that has come so easily, and to convert their 'interim' regimes into full–blooded rule by the army," (1975, 32), thus unabashly manifesting another vested consideration for intervention, perhaps more apparent than national interest preservation, which appears to be corporate self-interest and preservation of the military and its officer corps. Few countries' military so perfectly fit these replete circumstances as those of the Nigerian military. With its debatable first invitation to intervene, (Aguiyi-Ironsi, 1966; Richard Akinjide, 2000; Prince Nwafor Orizu 1997) in the face of what seemed an imminent national disintegration in 1966. Nigeria has known ten attempted and successful coups d'etat and counter-coups d'etat in its forty years of independence. Twice has the military organized coups d'etat against civil administrations, which it blamed for gross ineptitude, political intolerance, corruption and economic mismanagement. If its stated reasons for initial intervention are anything to go by, the number of coups d'etat and counter-coups d'etat the Nigerian military either attempted or successfully executed against itself seems patently unreasonable and unjustifiable. They can only be explained in purely selfish terms, and very insignificantly on national security interest reasons. Indeed some seem rather too obvious. Some were either due to an assumed "right" of succession (General Sani Abacha) coup in November, 1993 or to protect interests perceived to be threatened (General Ibrahim Babangida) coup in August, 1985.

JUSTIFYING MILITARY INTERVENTION

The very debatable issue is whether, given the prescribed constitutional role of the military as guardian of nation-state security, it has any role to play in the displacement of erring or mindlessly corrupt elected civilian government; even a civilian government whose actions or conducts bring the nation-state to the brink of possible disintegration. In dealing with the reasons or rationale for military intervention anywhere in sub-Saharan Africa, and especially Nigeria, a number of issues need be determined. One, evaluate the reasons(s) commonly canvassed by the various military interventionists for their involvement. Two, rationalize whether the prevailing social, political and economic situation in the country at the material time, justify such intervention. And three determine whether there exists at the crucial time (of intervention) an alternative more viable and constitutionally appropriate than direct military intervention.

Firstly, there are a few instances where the military took over power, or attempted to take over power, purely for selfish reasons (Ghana, 1966; Sudan, 1957; Nigeria, 1985 and 1993; Cote d'Ivoire, 1999).

Pathetically, the political class in much of the developing world is anything but a representative, and accountable stewards of the people. According to some commentators, it has collectively shown a level of corruption and prodigality that calls into serious question the meaning and social relevance of political leadership and socio-economic responsibility (Ayittey, 1992; Economist, May 22, 1999) In government, it seems to have functioned from a level of mindless corruption and lawlessness that what passes for democratic civilian government may as well be, and indeed seems, organized social and economic mismanagement, designed solely for the vandalization and scandalization of national economy and institutions. This sense and atmosphere of social disorganization and imminent economic doom is usually so absolute and infectious that the system completely breaks down. It is against this background that most countries' failure at democratic experiment in the sub-region, and indeed Nigeria's failure at first and second democratic experiment, should be viewed. However, the predominant contention has always been that extremely few exceptional circumstances justify military intervention, if it can be justified at all.

The prevalent argument against intervention is that a democratically elected civilian government traditionally has limited duration of tenure. And that a non-performing one, and especially a very corrupt one, will face the electorate in new elections, at the end of their term and the real possibility of being voted out of office makes military intervention unnecessary. This argument presupposes regularity and fairness in universal suffrage in the process implementation, in which eligible electorates express their will in a free and fair election. It is believed, and indeed *The Economist* notes, that "rests upon the simple and now more or less universally accepted principle that the government should stay in office only with the continuing consent of the people it governs" (February 24, 2001, pp17-18). Where this process works, without interference and manipulation, there would be absolutely no justification for intervention. But the states of affairs in much of the countries with military intervention experience tend to suggest that political corruption and wanton electoral rigging hinder the regularity of this process. That was the case in Nigeria under President Shehu Shagari in 1983 and in Cote d'Ivoire under President Henry Konan Bede in 2000.

In the circumstances, it is not surprising that the countries of Africa, especially sub-Saharan Africa (SSA), have seen more military intervention than they have normal transitory electoral process. When normal democratic changes in the process become impossible, because of corrupt and insensitive civilian governments or monarchs, military intervention aimed at change becomes the only readily available alternative. The frequency and rapidity of the occurrence between 1952 and 1966 gave the phenomenon the semblance of "normal" change, akin to process transition in a regular democracy anywhere else in the democratic world.

(SUB) REGIONAL OVERVIEW AND FACTORS IN MILITARY INTERVENTION

In Africa, direct military intervention first occurred in Egypt in 1952 when General Muhammad Naguib and his loyal officers toppled King Farouk. This was followed by what seemed a replication exercise in Sudan in 1958 when General Ahmad Abdal Wahab overthrew the government of Abd Allah Khalil. The general political situation in the sub-region shortly thereafter was relatively stable and uneventful in what, now in retrospect, seems like the uneasy calm that comes before a storm. For, in quick succession, between 1965 and 1966, military governments became the norm rather than the exception in much of the sub-region. The military took over in Zaire (Republic of Congo) (November, 1965), Dahomey (Republic of Benin) (December, 1965), Upper Volta (Burkina Faso), Central African Republic and Nigeria (January, 1966), and Ghana (February, 1966). Crawford Young (1982), commenting on the prevalence of military intervention in the sub-region had this to say:

> "When it became apparent that political monopolies guaranteeing incumbents indefinite prolongation of their mandates were becoming the rule, disaffection flowed into new channels, particularly the military. Although initially not perceived as such, the trend of military coup as a vehicle for ruler replacement began in Egypt in 1952, moved to Sudan (1956), occurred half-heartedly in Zaire (1960), Benin (1963) and Togo (1963), and then became an institutionalized pattern with rapid fire sequence of putsches in 1965-66 (Algeria, Zaire, Nigeria, Ghana, Central African Republic, Benin)..."

By the time Nigeria gained independence in October 1960, over eighteen (18) countries in the sub-region had also gained independence from their colonial authorities. Table 2.1 shows the list of countries in the region and the dates they attained independence.

(Table 2.1)

Dates of Independence of Sub-Saharan African States in Chronological Order of Independence		
Sudan	1 January	1956
Ghana (formerly Gold Coast)	6 March	1956
Guinea	2 October	1958
Cameroon	1 January	1960
Togo	27 April	1960
Mali	20 June	1960
Senegal	20 June	1960
Madagascar	26 June	1960
Zaire (formerly Belgian Congo)	30 June	1960
Somalia	1 July	1960
Benin (formerly Dahomey)	1 August	1960
Niger	3 August	1960
Burkina Faso (Formerly Upper Volta)	5 August	1960
Cote d'Ivoire (formerly Ivory Coast)	7 August	1960
Chad	11 August	1960
Central African Republic	13 August	1960
The Congo (People's Republic)	15 August	1960
Gabon	17 August	1960
Nigeria	1 October	1960
Mauritania	28 November	1960
Sierra Leone	27 April	1961
Tanzania (as Tanganyika)	9 December	1961
Rwanda	1 July	1962
Burundi	1 July	1962
Uganda	9 October	1962
Zanzibar (now part of Tanzania)	10 December	1963
Kenya	12 December	1963
Malawi	6 July	1964
Zambia	24 October	1964
The Gambia	18 February	1965
Botswana	30 September	1966
Lesotho	4 October	1966
Mauritius	12 March	1968
Swaziland	6 September	1974
Equatorial Guinea	12 October	1968
Guinea-Bissau	10 September	1974
Mozambique	25 June	1975
Cape Verde	5 July	1975
The Comoros	*6 July	1975
Sao Tome and Principe	12 July	1975
Angola	11 November	1975
Djibouti	25 June	1977
Seychelles	27 June	1977
Zimbabwe (formerly Rhodesia)		

Source: **<u>Africa South of the Sahara</u>, 1988, p. 79.**

***Date of unilateral declaration of independence.**

For the newly independent states, expectations were high and optimism was rather contagious, as the rest of the international community envisioned a bright and stable future for the rest of the sub-region. Unfortunately, the majority of these emergent democracies would subsequently perpetrate a coup culture shortly after independence. It was especially so for Nigeria. For as Yusufu (1996, 42) would comment, "...Nigeria was, within the international community, a much beloved nation on which hopes were pinned for the rise of a giant African economy and civilization...But alas! Nigeria does stand today as a 'Giant in the Tropics'. But it appears to be more of a very sick giant, being devoured hollow from within, by the cancerous disease of uneconomic cultures, individual and social insecurity, carefree and corrupt pseudo-elitism, unfulfilled educational and technological hopes."

The structure and composition of the military at independence for virtually all of these newly emergent independent countries was such that the military was seen purely in the light of its "colonial holdover" status, and was not even regarded with political curiosity or significance. Apart from Sudan, (where there had been a coup d'etat in 1958 and where the British had indeed provided indigenous soldier military training since 1918) "... none of the sub-Saharan African states has an army capable of exerting a political role..." (Coleman, 1960, 313-314). Ghana had only 10 per cent of its officer corps indigenized at the time of independence in 1957. And for the Republic of Congo, at the time of independence in 1960, there did not exist one single African officer in the *Force Publique* of more than 24,000 men (Gutteridge, 1975, 6-7).

In this prevailing state of affairs therefore, the military was neither thought of nor regarded as a threat. The thinking and general belief was that no patriotic citizen or group could be audaciously disruptive of a prospective future, as to stop or slow the progress and dividend which democracy and free participation was supposed to engender. It was inconceivable therefore for any body or group to slow or prevent the acceleration of the development of needed infrastructure and services like roads, railways, schools, communication, electricity, pipe-borne water, etc.

In Nigeria, for example, the military was regarded with such a level of irrelevance and inconsequentiality that nationalists like Chief Obafemi Awolowo and Dr. Nnamdi Azikiwe contemplated a new democratic dispensation without any serious regard to the military in what was then conceived of as the "non-militarization" of Nigeria.

It has been suggested that the military's participatory role, even though seemingly imposed by duty under the colonial administration, in the suppression of nationalist independence movements, may have informed such general negative sentiment. For as Gutteridge would observe:

> "There had been a legacy of fear and distrust of soldiers in many African countries. Nationalist politicians saw them (soldiers) as agents of imperial rule suppressing political demonstrations and protecting European property. Though they had won glory by serving overseas in the two world wars, their imperial activities caused them to be regarded in some quarters as armies of occupation or at best as mercenaries in the service of foreign powers" (1975, 6).

However the circumstances and conditions for military intervention have varied widely in the sub-region. Even then, there appears to be a recurring commonality that has been consistent for virtually all of the countries. Examinations of these common traits are profoundly revealing (Welch and Smith, 1974). They include: civilian leadership failure, lacunae and structural weakness of existing political institutions, failure of existing regimes to gain legitimacy, economic factors, military factors, cultural pluralism, personal and foreign factors.

CIVILIAN LEADERSHIP FAILURE

A number of coups d'etat have resulted from a desire to remedy the failure of civilian leadership, like in Nigeria (Buhari, Federal Ministry of Information, 1984).

Where civilian government's activities and performance are adjudged by the military to be inconsistent with national goals and aspirations, it may intervene to remedy what it deems inappropriate. In 1969 for example, Somalia soldiers under the leadership of Major General Mohamed Siyad Barre, following the murder of the civilian President Dr. Rashid Ali Shermarke by a police officer, seized control of government. And after they seized power, to a far greater extent than the previous civilian government, they pursued a policy of mass mobilization (Wiking 1983, 30).

It has been suggested that a regime's performance failures are an important factor in explaining the timing of an intervention (Karl Maier, 2000). "Opportunities to intervene occurred in many forms-widespread strikes or demonstration against the government, severe economic difficulties, the undesired dependence of the government upon the armed forces to maintain control over a rapidly deteriorating situation" (Welch, 1970, VIII). In Sierra Leone for example, President Siaka Stevens ruled the country from 1968 to 1985, heading a regime so larcenous that Sierra Leoneans called it the "17-year plague of locusts" (Washington Post, May 14, 2000, B_1 -B_2). To all intents and purposes, the government had stopped functioning, due to uncontrollable corruption, when young officers led by 26 years-old Captain Valentine Strasser, overthrew the administration he bequeathed to his handpicked successor, General Joseph Momoh. "Eventually, his government was unable to pay civil servants, police and schoolteachers" (Washington Post, 2000).

It has also been suggested that the civilian leadership's use of the military to cope with political situations (like riots, strikes and communal clashes), only serve to intensify the political role of the military at the expense of civilian authority. Extensive dependence on the military to maintain control not only reveal the weakness of civilian authority but also encourages the military to believe that its intervention is indispensable to political stability (Liebenow 1986, 247-248). Coups d'etat in Zaire (1965) and Nigeria (1965) appear to meet these general criteria.

LACUNAE AND STRUCTURAL WEAKNESS OF EXISTING POLITICAL INSTITUTIONS.

According to Huntington (1968, 4) military intervention results from the inability of existing political institutions to keep pace with the rapid mobilization of new groups into politics. When existing political institutions become strained due to the demands placed upon them by newly mobilized members of the society, the outcomes often are increased political violence. Where normal political channels and processes can no longer attend and accommodate citizens' demand, they find expression through other means, such as demonstrations, strikes, and as far as the military is concerned, coups d'etat.

The military intervention in Ethiopia in 1974 presents a classical case of how an inadequate political institution can encourage a coup d'etat. There was the failure of the attempted land reform in 1967-69, which in part was due to the obstructionist influence of wealthy and conservative landlords, who to all intents and purposes, were the ruling class. There was also the drought of 1972 which gave impetus to the civilians and military alike that change can only come from without existing institutional structures (Schwab 1979, 125 - 135). The refusal and/or failure of government to address these existing pressing issues looked like an open invitation to the military.

That invitation was further extended when soldiers in a small garrison in remote southeast Ethiopia, reacting to poor food, shortage of drinking water, amidst rising prices and unemployment, demanded higher salaries. Neither the government nor the Emperor reprimanded the limited military rebellion they executed. The Emperor would appease the military by hastily replacing the Prime Minister, and promising his new responsibility and accountability to parliament. The military which, by now had, formed a secret coordinating committee (to be known subsequently as the *Dergue*) announced that the armed forces would no longer automatically take instructions from the Prime Minister, even as they affirmed their obedience to the monarch. By the time the coup leaders finally strangled Emperor Haile Selassie to death on September 12, 1974, and formally proclaimed the end of the monarchy and the resumption of a full blown military government, over 50 members of the royal family, ministers, generals and dignitaries of the imperial government had been summarily executed (Cutter, 1998, 168-169; Cartwright 1983, 271-272; Ottaway and Ottaway, 1978).

Due to tribal/ethnic structures and the ideological learning of the political parties that emerged in post-colonial sub-Sahara Africa, lacking as it were, a truely national representation, a climate of disagreement and squabbling along tribal or ethic lines was festering and indeed an invitation for the military to intervene. For Liebenow (1986), the inherent weakness of African political parties also fosters a climate in which military intervention can occur. With a few exceptions, political parties in post-colonial Africa have lacked organizational strength, even as the politicians themselves are not regarded as being particularly inspiring (*The Economist*, May 22, 1999, 52). Liebenow, (1986, 240-241) believes also that this weakness is due, in part, to the obstructionist policies and practices of colonial administrators, which made it difficult for African civilian politicians to acquire the organizational skills needed to create and manage viable political parties.

Even where strong and potentially viable parties did exist, like in Nigeria, they tended to be oriented toward a specific regional or ethnic cluster. In Nigeria, the National Council of Nigeria, and Cameroon, later to be renamed National Council of Nigerian Citizen (N.C.N.C) was a predominantly eastern, (tribally Igbo) party; the Action Group (AG) was a predominantly western (tribally Yoruba) party; while the Northern People's Congress (NPC) was a predominantly northern (tribally Hausa/Fulani) party. Indeed with the possible exception of a few countries, there are no truely national (in the sense of representation) parties in Africa. And as Liebenow (1986, 241) points out, civilian leadership has endured only in a handful of countries (Cameroon, Malawi, Tanzania and Zambia) where broad, cross-cultural political parties have been successfully created. Apart from these countries however, there are a few others, which although they lack broad-based political parties, have nonetheless been able to maintain durable civilian regimes. These include Mozambique, Zimbabwe, Senegal and Gabon.

While in Mozambique and Zimbabwe, relative civilian regime durability has in part to do with the antecedental circumstances of the struggle for independence, in Senegal and Gabon, it has to do with a combination of external military support and sensitive temperamental disposition of the political leadership. In Mozambique and Zimbabwe, the parties that ultimately became the ruling party had assumed a military posture, since their campaigns were largely of a military nature during their struggle for independence. They were therefore able to, on attainment of independence, and with better appreciation of military sensibilities, take steps to isolate the military wings of their organizations from political affairs and active participation. It would appear that the militaries in these countries (Zimbabwe, Angola, Mozambiq, etc) have not had both the reason and occasion to step into the political sphere to settle social or political issues of competing vested interests.

In Gabon and Senegal on the other hand, civilian rule has prevailed because of the presence of French intervention forces stationed in the area, as well as the temperamental disposition of both Leopold Sedar Senghor and Abdou Diouf of Senegal towards political accommodation. In perhaps one of the most orderly transfers of power in post-colonial Africa, President Senghor would, for reasons of old age, resign his office on 31 December 1980. Just as President Diouf, would uneventfully concede defeat to Abdoulaye Nade in a run-off to presidential election held March 2000; another rare occurrence in the sub-region. The government of President Omar Bongo in Gabon has prevailed only by the grace of French troops stationed in the region (The Economist, March 25, 2000, 6; Cutter, 1998, 57 - 59 or 98 - 99; Liebenow 1986; 241 - 242).

FAILURE OF EXISTING REGIMES TO GAIN LEGITIMACY

It has been argued that "the ease with which the armed forces assume political power varies inversely with the legitimacy enjoyed by the existing civilian government" (Welch and Smith, 1974, 26-30) And since authentic government functions from legitimacy, loss of (legitimacy) operates as an open invitation to the military elite to intervene.

By the time the military sacked the government of President Shehu Shagari in the early hours of December 31, 1983, the administration had completely lost its legitimacy. The four years of Shagari's administration witnessed a rapid deterioration of economic, social and political conditions in Nigeria. These deteriorating conditions were neither addressed nor regarded. Besides, the presidential elections in August 1983 were allegedly "rigged", and the public perception of the government was one of irrelevance and illegitimacy. The leader of one of the opposition parties the United Party of Nigeria (UPN), Chief Obafemi Awolowo, would later comment that the Shagari-led National Party of Nigeria's (NPN) electoral fraud was "vote-rigging of a scale unprecedented in African history".[1] The Nigerian experience would lend credence to the proposition that the military is more likely to intervene in politics where the existing regime lacks legitimacy.

ECONOMIC FACTORS AFFECTING MILITARY INTERVENTION

No single factor is as important as economic condition, in the encouragement of military intervention in sub-Saharan African. With the possible exception of South Africa, the continent remains "the world's most difficult and seemingly intractable development challenge" (Sewell, 1994). Indeed many countries in the sub-region are rapidly losing the institutional capacity to help themselves. According to the US State Department, "Africa is the only area in the world where national growth rates are often negative and where per capita food production is declining" (Bureau of Public Affairs, 1983, 1). And because the economic crises confronting the continent continues to show signs of outpacing efforts to resolve them, it is not surprising that in virtually all of the countries where the military has intervened in the sub-region, the interventionists have used the economic condition as primary justification for their actions.

Some scholars believe that the state of a nation's economy has a direct effect on the possibilities of a coup d'etat within that country. In her study of military interventions in Africa, Nelkin (1967, 231) concluded, "the issues which best account for the ease of military access to power, relate to economic circumstances and their social consequence."

It is also the opinion of Welch, (1970, 18) and Nordlinger (1977, 89) that economic decline is a factor that encourages military intervention.

Indeed economic decline has been a primary factor in a number of coups d'etat in the region. Or so have the coup plotters alleged. In Republic of Benin, which has experienced six military interventions since attaining independence in 1960, every successive military regime, has asserted deteriorating economic condition as a reason for its intervention. Economic decline would also be said to be responsible for at least two of five military interventions in Ghana, in 1966 against President Kwame Nkrumah and in 1981 against Dr. Hilla Limann. Economic deterioration was also responsible for military interventions in Congo-Brazzaville (August, 1968), Mali (1968) and Nigeria (December 1983) (Nordlinger, 1977).

In his empirical evaluation of the relationship between economic performance and military intervention, Staffan Wiking (1983, 74-77) showed that income, in terms of per capital GNP in African countries varied significantly with the incidence of coups in these countries. And that of the "poorest" fifteen countries on the continent, all but two had had military coups. Also that only six of the "richest" fifteen has experienced military intervention (Wiking, 1983, 37).

MILITARY FACTORS AFFECTING MILITARY INTERVENTION

It has also been suggested that the role of the military in a nation-state is one dictated by its natural responsibilities to the state. It must not therefore act contrary to those expectations, even when the actions or conducts of the democratic civilian administration run violently counter to its (military) judgement (Huntington, 1972, 72).

In the light of these obviously debatable conflicting constructive strictures and seemingly inherent contradictions in institutional (military and civilian) roles in a nation-state, it is not surprising that some scholars have argued that some factors peculiar to the military establishment in Africa can either encourage or discourage military interventions. The African soldier is particularly sensitive, if not downright disdainful, of the civilian government, some of whom they consider institutionally and organizationally inferior (Finer, 1975, 4). And when civilian governments' actions are perceived as threatening to state security or inconsistent to their collective corporate interests, the military feel duty bound to intervene. In this regard, military manpower rationalization and reductions in budgetary allocations have always been contentious areas.

The consensus among scholars is that the likelihood of military intervention increases when the existing government fails to provide adequate funding for the military or interferes excessively in its affairs (Nordlinger 1977, 66- 76; Liebenow 1986, 240-250; Welch and Smith 1974). Military interventions in Uganda (1971), Ghana (1972) and Liberia (1980) were all partly attributable to existing governments' failure and/or neglect to provide for the well being of the military (Wiking 1983, 786 - 798).

Another area of frequent friction is the perceived excessive involvement of the civilian governments in purely military matters and processes. The military interventions of 1966 and 1972 in Ghana were believed to have been precipitated, in part, by Presidents Nkrumah and Busia respectively, in their attempts to interject extraneous political considerations into matters that were purely military. For example, the military gravely resented President Kwame Nkrumah's removal of General Ankrah as commander of the army (Price, 1971, 399-430). When Busia's government was removed in 1972, he was also accused of not only lowering the living standards of the military personnel, but also of politically manipulating the promotion process (Wiking 1983, 86-87). It is also the view of Decalo (1976, 173-230) that the military intervention in Uganda in 1971, when General Idi Amin toppled the government of Milton Obote, is another example of civilian government interference in military affairs, resulting in military intervention.

Furthermore, it has been suggested that nothing is perhaps more challenging and threatening to the military's corporate interest and existence than the creation of independent military or paramilitary organizations. According to Liebenow (1986, 249), by the creation of a president's own guard regiment, which was recruited, trained and equipped independently of the regular army, Nkrumah was well on his way to being toppled by the military. This was apart from his sacking General Ankrah.

MILITARY COUPS AND CULTURAL PLURALISM

Countries in sub-Saharan Africa are not a collection of ethnically and regionally homogeneous components. Rather they are the result of the amalgamation of different tribal and ethnic groups, following the European scramble and partition of Africa (Cutter, 1998). The result is a mixture of sometimes incompatible and ethnically divergent groups lumped together for what was originally conceived only as administrative convenience structures by the colonial authorities. As many of these countries attained independence, nothing significant was done to change the ethnic and tribal incompatibilities prevalent in the mix. It is against this background that ethnic and regional differences, and with it conflict and the disruptive struggle for leadership dominance came to constitute an important reason for military intervention in African politics.

According to Welch and Smith (1974, 26-30), "the likelihood of military intervention rises as the intensification of conflicts arising from ethnic or class cleavages threatens the status and power of the dominant group or class". And although it may be difficult to categorically identify a military intervention resulting solely for reasons of ethnic or regional consideration, it has nonetheless played a part. Indeed it has been suggested that the first short-lived military intervention in Sierra Leone in March 1967, was due to the reluctance of the Mende tribe to relinquish to another tribe, the control and power it had exercised over the country since independence on April 19, 1961 (de Villiers 1976, 60).

Much as intervention may never be justified on ethnic and tribal grounds by the military, it appears to be one of the most, if not the most, important considerations. Although the interventionists often accuse the preceding governments of tribalism: Somalia (1969), Uganda (1971) and Chad (1975), it has only been in Uganda that this accusation was specifically used to topple the government of the Milton Obote (Wiking 1983, 119). The alleged poor civilian leadership handling of regional problems in Sudan was also partly responsible for intervention in that country. The leaders of the coup in 1969 blamed Prime Minister Muhammed Mahgoub and his fellow politicians for their inability to resolve the traditional problem with the southern part of the country. Ethnic and regional problems were also responsible for interventions in Nigeria (1966), Togo (1967), Dahomey (1972), Rwanda (1973) and Mauritania (1978) (Wiking 1983, 93-119).

PERSONAL FACTORS AFFECTING MILITARY INTERVENTION

There is the suggestion that military intervention is as much influenced by personal reasons. The prevailing evidence suggests that the striving for status and the desire to hold and exercise power may not be ruled out in assessing the motives behind some coups in Africa (Decalo, 1976, 15-22, 173-230; de Villiers 1976, 54-66; Maier, 2000).

It has been suggested that the most important reason for the 1965 intervention in Central African Republic was the personal ambitions of the army chief of staff, Colonel Jean-Bedel Bokassa. Bokassa had manifested his desire to exercise power on countless other occasions, including once, when he unilaterally assumed the position of minister of war (Decalo 1976, 17).

Idi Amin's coup in Uganda in 1971 was perhaps one of those clear manifestations of personal ambitions in the execution of a coup d'etat. According to Decalo (1976), Idi Amin's intervention pre-empted President Milton Obote's attempt to remove him from his position as commander of the army. According to one report, a few hours before the coup, Obote had called from Singapore, where he was attending the Commonwealth meeting, to have Amin arrested (Decalo 1976, 18). Furthermore, in October of 1970, Amin's power has already been reduced by the creation of two command positions equal to his own. Besides, he was also at the time, the target of at least two inquires (one into the death of a top army officer and the other into the misuse of defense funds). Finally, there was the personal conflict between Amin and Obote (Decalo 1976, 18-19). All of these served to provide a strong motive for Idi Amin to intervene.

The personal element persuading intervention was perhaps as obvious in the General Babangida-led coup d'etat in Nigeria. For there was no obvious, justifiable reason for the intervention, which furthering the apparent bewilderment for cause, was dubbed a palace coup d'etat. [2] Within eighteen months of being the number three (Chief of Army Staff) of the original coup leaders that toppled the government of President Shehu Shagari, General Ibrahim Babangida would seize power from General Mohammadu Buhari on August 27, 1985 (Bevan, Collier and Gunning, 1999, 97). It has been suggested that there was some personal conflicts between the military head of State (General Buhari) and General Babangida on the one hand, and between the military Chief of Staff (late General Tunde Idiagbon) and General Babangida on the other. According to some unconfirmed reports, General Babangida was to be retired as soon as the military Chief of Staff returned from his pilgrimage to Mecca. It was while he was still on Pilgrimage that General Babangida intervened (Newswatch, August 28, 1985; The Guardian, August 30, 1985).

FOREIGN FACTORS AFFECTING MILITARY INTERVENTION

Most of the literature on coups d'etat in Africa has failed to highlight the significance of foreign influence when it comes to military intervention in Africa. Even though there are difficulties involved in proving direct foreign influence, it is hard to justify this level of omission. Since there appear to be instances where foreign influences were obviously at work, directly or indirectly.

The Bretton Wood Institutions (especially, the International Monetary Fund-IMF) provide excellent examples of how foreign organizations can influence or precipitate economic and political outcomes in Africa. When in 1985 President Nimeri of Sudan was persuaded by IMF to remove subsidies on food and fuel, as well as devalue the Sudanese pound, the reaction was one of general strike, with students, doctors, lawyers and other professionals participating. Public discontent with the regime culminated in the ouster of Nimeri on April 6, 1985 (Clark 1985; Africa, South of the Sahara 1988, 949).

The so-called “contagion” or “demonstration” effects, of coups are another significant foreign factor. It has been suggested that the threshold of tolerance by the military for an existing regime is drastically lowered when there is an increase in the frequency of successful military intervention elsewhere in the continent. One successful coup, it is believed, begets another. When the continent is viewed in its seemingly unavoidable interacting and interdependent relationships, it becomes evident that a process of feedback would be at work within these countries. Indeed the wave of intervention in 1965 and 1966 are too coincidental to be unaffected. It is perhaps difficult to demonstrate that there were direct connections between events in Algeria (June 1965) and seven other countries in which coups occurred between October 1965 and February 1966. It was obvious, however, that by 1960s, African politicians as well as military officers were much in touch with one another, and with political life on the continent as a whole, through frequent meetings within the frame-work of regional and international organizations, and cooperation.

When it comes to links between coup plotters, the experience in West Africa is very instructive. Colonel Lamizana of Burkina Faso, Colonel Bokassa of Central African Republic and General Soglo of Republic of Benin were acquaintances from their service days in Indochina (Aristide Zolberg, 1968, 86). And it is conceivable that a successful coup by one would tempt the others. According to Helen Kitchen (1964), the Commanding Officer of Liberia’s National Guard, who was arrested on suspicion of plotting a coup, was alleged to have said, three weeks after the assassination of President

Olympio of Togo: "If only 250 Togolese soldiers could overthrow their government a Liberian army of five thousand could seize power easily" (1964, 9). Another extremely suggestive contagion phenomenon may be found in the comments of General Soglo, shortly after his takeover in Benin. He said that his takeover was prompted by the concern that the elections scheduled for early 1966 might crystallize the north-south cleavage and result in the kind of disorder which prevailed among the Yorubas of neighboring Western Nigeria during and after the electoral campaign of October 1965, and about which Benin, many of whom are also Yoruba, were well informed (Zolberg, 1968, 86).

It is also highly probable that Soglo's successful takeover emboldened the Nigerian officers who attempted to topple the government of Prime Minister Abubakar Tafawa Balewa. Their limited but determinative success, in turn, may have persuaded their Ghanaian counterparts, with whom they shared not only British colonial heritage and professional traditions, but also a common exposure to the disastrous consequences of political disorder while serving in Congo. Furthermore, Zolberg argues that "the phenomenon of contagion contributed to the normalization of military rule as well: its establishment in one country enhanced both the opportunities available to other groups and the legitimacy of stepping in to save the situation. In the light of their shared experience, military leaders became even less hesitant to establish military rule from the outset". (1969, 179)

It would appear that the most important aspect of contagion is related to the relative strength of the regime in power. For as Welch and Smith (1974) and Feit (1973) would observe, coups seem to have occurred mainly in countries whose regimes are obviously weak. This apparent weakness would subsequently have "domino" consequences and effects. According to Zolberg (1968, 87), "the revelation of this prevalent weakness made even the more firmly established regimes much less formidable. It is as if a spell had been broken." and "...the army has now seen that the Emperor stands naked". Ordinarily, the expectation would be "that firmly established regimes" are able to more successfully resist military intervention. Unfortunately, this has not been the case for Africa. As examples in Ethiopia and Liberia, one of the oldest imperial governments in Africa and one of the most enduring one-party civilian government respectively will show, Ethiopia fell victim to military intervention in 1974 and Liberia in 1980.

Generally speaking, it would appear that the military's ability to topple the government of a country is, to a large degree, dependent on the support and or tolerance of the larger civilian population who must initially manifest their displeasure and disenchantment with the existing regime (civilian or military).

NIGERIA: MILITARY INTERVENTION IN PERSPECTIVE

Direct military intervention in Nigeria is attributable to virtually all of the factors already outlined above. However, some of these and their enabling circumstances are more directly relevant than others. The history of Nigeria from January 15, 1966 to May 29, 1999 (and except for a civilian interregnum between October, 1979 and December 1983) can be described as the history of Nigeria under military rule; for the country was effectively and completely under military rule during that period. Table 2.2 shows both the sequence and frequency of occurrence and mode of change in Nigeria.

After independence in 1960, the country operated a Westminster kind of parliamentary democracy until January 15, 1966, when the first military coup d'etat led by late Major Kaduna Chukwuemeka Nzeogwu sacked the government of the first Prime Minister, Sir Tafawa Balewa, in a bloody and traumatic display that was hitherto unknown to the country.

CHANGES OF GOVERNMENT IN NIGERIA FROM 1960 - 1999

TABLE 2. 2

PERIOD OF RULE	HEAD OF GOVERNMENT	TYPE OF GOVERNMENT	TYPE OF CHANGE
1959 – 1966	Sir Tafawa Balewa	Civilian Rule	Elected
1966	Gen. Aguiyi-Ironsi	Military Rule	Coup
1966 - 1975	Gen. Yakubu Gowon	Military Rule	Coup
1975 - 1976	Brig. Murtala Mohammed	Military Rule	Coup
1976 - 1979	Gen. Olusegun Obasanjo	Military Rule	Coup
1979 - 1983	Alhaji Shehu Shagari	Civilian Rule	Elected
1983 - 1985	Gen. Mohammadu Buhari	Military Rule	Coup
1985 - 1993	Gen. Ibrahim Babangida	Military Rule	Coup
1993 - 1998	Gen. Sani Abacha	Military Rule	Coup
1998 - 1999	Gen. Abdulsalam Abubakar	Military Rule	Succession
1999 - Present	Gen. (Rtd) Olusegun Obasanjo	Civilian Rule	Elected

SOURCE: AUTHOR 2000

The Federal Minister of Finance, Okotie Eboh; the Premier of Western Nigeria, Chief Ladoke Akintola; and Sir Ahmadu Bello, the Leader of the ruling party, Northern People's Congress (NPC) were among the prominent politicians killed across the North, West and Mid-west. Also killed were the Prime Minister and, at the time, the most senior northern military officer, Brigadier Mai Malari. Also killed were Brigadier Ademuyegun, Colonels Shodeinde and Kur Mohammed and Lt. Col. Pam Unegbe, among others. By some still explicable, but extremely contentious circumstances, no prominent politician or very senior soldier who hailed from the eastern part of the country was killed in that murderous exercise. According to Claude Ake (1984, 14), this military intervention was not only unfortunately indecisive, it also had a touch of tribal bias, in that the original coup leaders were of eastern origin and "managed" not to kill any one of their own in the putsch. Major-General Johnson Thomas Umunakwe Aguiyi-Ironsi, himself an Igbo and coincidentally the same tribe that suffered no significant casualty in the first military intervention, would head the military government that emerged after the killings. General Ironsi was killed in a counter-coup led by a band of Northern soldiers in July 1966. This was in apparent retaliation of what they considered "unbalanced" elimination of their leaders by Igbo military officers. The northern officers believed that the discriminatory killings were intended to marginalize the north in the country's political arrangement since the Igbos were already the dominant professional class in the military.

Lt. Col. Yakubu Gowon (as he then was) succeeded General Ironsi in what was regarded by Lt. Col.Odumegwu Ojukwu (military administrator of defunct Eastern Nigeria) an irregular succession process, since according to him Gowon was not, at the material time, the most senior military officer hierarchically entitled to succeed the assasinated General Ironsi. In the counter-coup that brought on Lt. Col. Yakubu Gowon as the Head of State, and Commander-in-Chief of Nigerian army, can be glimpsed "...the intensification of conflicts arising from ethnic or class cleavages" which "threatens the status and power of the dominant group or class" (Welch and Smith, 1974, 26-30).

Lt. Col. Ojukwu, did not only object to this irregular succession process, he also failed to reach consensus and resolution with the new government of Gowon in the matter of the mass killings in northern Nigeria, persons of eastern Nigeria origin. Following which he proceeded to excise the eastern region from the rest of the federation, by declaring the independent republic of Biafra on May 27, 1967. The civil war that ensued lasted until January 1970, when Biafra surrendered after Ojukwu left the country into exile in Cote d'lvoire.

What remains unresolved to this day is whether the first successful military intervention in Nigeria was a coup d'etat or an invitation? In other words, did a situation arise which persuaded the inevitability of military involvement and was this involvement a voluntary invitation by the civilian administration? There has been no consensus as to the mode of entry (invitation or intervention), as there are conflicting accounts of the sequences of events leading up to this climax. However, it would appear, on the face of it, that the military was "invited" by the acting President of the country, Prince Nwafor Orizu, after consultations with the Council of Ministers, to take over the government. This was following a total breakdown of law and order in the aftermath of the unsuccessful coup attempt of Major Nzeogwu and his fellow officers. According to the acting President, the country was at a precipice and the only prudent thing to do was to invite the military to take over the government, even if temporarily (Orizu, 1988). The inability or lack of capacity of the civilian government to contain a rapidly deteriorating political and social situation showed an inherent weakness, consistent with Huntington (1968) and Liebenow (1968) contention as a possible factor in military intervention.

That the political dynamics in the system was degenerating was apparent for a long time. According to Ake (1985, 11-15), within one year of independence, it became abundantly clear that the political structure was heading inevitably towards disintegration under pressure from the collective "politics of anxiety". The three political parties that emerged following independence were a little less than tribal or regional associations. Indeed, with the possible exception of the National Council of Nigerian Citizens (NCNC) (originally called National Council of Nigeria and Cameroon, when southern Cameroon was part of Nigeria), these were ethnic parties, without national orientation or focus.

To all intents and purposes, the Northern People's Congress (NPC) was a Hausa/Fulani party, which held sway in the North. It was also the party in government and in alliance with the NCNC. The NCNC was a predominantly Igbo party. But unlike the others, was more liberal and accommodating of other ethnic groups, a rare occurrence in the political landscape of Nigeria in the days immediately following independence. And because of its national orientation, it attracted rank and file (membership and leadership) across tribal and ethnic lines, particularly in the west and the middle belt region. This nondiscriminatory membership composition did not only make it possible for the NCNC to have the political temperament to go into alliance with the NPC, it also allowed for a comfortably accommodating non-ethnic party participation across tribal lines, leading to the formation of the Nigeria National Democratic Congress (NNDC), a coalition of Western and Eastern elements. The Action Group (AG), on the other hand, was a predominantly Yoruba party. According to Orizu (1977, 9), "the 1959 election preceding independence signified that there were three self-contained leaders rooted in tribal, religious or geographical anchors".

In the 1959 election, the NPC had 148 seats in the House of Representatives, the NCNC 89 and the AG 75. Each party captured the bulk of its seats from its ethnic base. The NCNC went into alliance with NPC, while the AG went into opposition. The NPC, the dominant partner in the federal government immediately mobilized the resources of the federal government to consolidate its political ascendancy. The fruits of this exercise at consolidation were beginning to manifest at the time of the Regional elections in 1961, when there were defections from the minority parties to NPC. The AG for its part and in obvious disregard of overall appropriate political conduct carried out its opposition in an uninhibited and confrontational manner.

The NPC-led government responded in kind, following a quarrel in AG between AG national leader, Chief Obafemi Awolowo, who was in the Federal House of Assembly and the Premier of the AG-controlled government in Western Region, Chief Ladoke Akintola. The Federal parliament promptly, and arguably unjustifiably so, declared a state of emergency in the Western Region. The AG government was proscribed and an administrator, Dr. Moses Majokodunmi, was appointed with extensive powers, which included the maintenance of law and order, the power to search anyone and to imprison or detain them, to permit or prohibit meetings and processions. A rigorous investigation was promptly instituted into the financial dealings of the Western Regional government. Prominent AG leaders were arrested and detained. The leader, Chief Awolowo and some of his prominent followers, an elite group of the party called the "Tactical Committee", were tried for treason. Chief Awolowo was sentenced to ten years' imprisonment. About the same time, machinery was also set in motion for the creation of a state out of Western Region. Against this onslaught, the AG effectively collapsed: defections from the ranks ensued, to the point in which the party's strength in the Federal House of Representatives fell from 75 to 13 (Ake 1986, 12).

Following the apparent vanquishing of the AG, the confidence of the NPC continued to grow. This confidence was at its height when the NPC gained an absolute majority in House of Representatives by gaining 7 seats in the newly amalgamated Northern Cameroon and also from by-elections. This level of confidence had the effect of exacerbating declining relationship between the NPC and NCNC, who were coalition partners in the Federal House of Representatives. Although the partners bickered on various insignificant issues, such as tribal discrimination and construction of road leading to Kainji Dam, serious issues came to a head during the census controversy.

The census figures became a matter of bitter contention because of their larger implications for revenue allocation and distribution of power. The figures of the 1952-53 censuses had been the basis for the allocation of seats for the election of 1959, and it was by virtue of these allocations that the NPC gained dominance in the House of Representatives. The AG and NCNC and the other minority participating parties had hoped that the new census of 1962-1963 would reduce the share of seats going to Northern Region, thereby reducing the influence of the NPC. It was not to be. On the contrary the numbers exponentially increased. The North had increased by 30 percent from 17.3 million to 22.5 million. Between the East and the West the figures have grown to 71 percent and 70 percent respectively. While the increase in the North was adjudged realistic, those of the West and East were thought less so by the NPC. A remedial census, which was conducted in 1963-1964, gave the North and East percentage increases (over the 1952-53 census results) of 67 percent each and the West 100 per cent. The new census figures effectively put the population of the North, East and West at 29 777 986, 12 388 646, and 12 811 837 respectively. Needless to say, because these figures essentially revalidated the North's dominance, they were rejected by the leaders of other political parties who resorted to fanning the embers of ethnic suspicion and hatred.

As the country was preparing for general elections on January 11, 1965 these lingering controversies were unresolved. The election campaigns degenerated into warfare with all parties using their power and resources in a blatantly unconstitutional manner to promote their prospects (Ake 1985). The situation in all the Regions was one of utter lawlessness, intimidation, corruption and violence. According to Ake, (1985, 13) "To illustrate, in the constituency of the Prime Minister, Alhaji Tafawa Balewa, Bauchi Southwest, the lack of an opposition candidate was attributed to the harassment and violence perpetrated on the opposition party... the first time the opposition tried to nominate a candidate, the nominators were arrested. On the second attempt, they were simply carted off, and on the third attempt they were held until the time for nomination lapsed. The candidate for Binji - Tangza - Silame was simply killed. So was the candidate for Gwadabawa...There is independent evidence to corroborate the general picture of lawlessness and violence which the document depicts".

The election took place in this general atmosphere of lawlessness, and the employment of a boycott by some of the political parties who could not see any chance of winning. The election results, which predictably favoured the NPC, would only deepen the crisis as other political parties rejected the result. The President Dr. Nnamdi Azikiwe, a founder of the NCNC (which was in coalition with NPC) refused, as tradition demands, to call on Alhaji Tafawa Balewa, the incumbent Prime Minister to form a government since his party, the NPC was the dominant partner in the winning coalition. Although the President subsequently reversed his position and invited the Prime Minister to form a new government, the ethnic and tribal sentiments generated by these controversies, especially between the Igbos and the Hausa/Fulani, were already apparent and festering.

The volatility of the situation was still tense by the time of the elections to the Western House of Assembly on October 11, 1965. Indeed that election was more violent than the federal elections of the same year, as many politicians and their supporters, including electoral officers and policemen lost their lives. According to Ake (1985, 14) "after the election the two main political coalitions which fought the election, the NNDP and the AG/NCNC alliance claimed victory. The leader of the AG announced the formation of a government to displace the incumbent NNDP government, which was effectively a satellite of the federal government. Alhaji Adegbenro, the AG leader in the Western Region, who announced the formation of the new government and several leading people in his party were promptly incarcerated. This sparked off a rash of riots, looting and mass killings".

As would be expected, the feeling and sense of insecurity in the country was as palpable as it was unpredictable. The Balewa government seemed obviously incapable of containing the endless violence or was so partisanly involved in its containment that it lacked both the moral authority and the peoples' confidence to succeed. Ending the crisis looked far-fetched. By the time the coup leaders of Major Nzeogwu and company struck on January 15, 1966, it gave as some of its reasons national insecurity, political and economic corruption and debilitating intolerance.[3] Hardly anyone, including the exasperated citizenry, watching the general state of lawlessness and social chaos, could agree with the military more that national security was threatened. The prevailing social, political and economic situation in the country was severe and obviously threatening to its continued corporate existence. When the coup leaders struck, it was indecisive and, far from arresting the situation, it merely heralded a myriad of other problems. Since the coup attempt was not quite successful in supplanting the civilian government, even though the Prime Minister and some of the political leadership had been killed, the uncertainty and atmosphere of utter confusion and unmanageability compelled the acting President, Prince Nwafor Orizu's invitation to the military, under the leadership of Major-General Ironsi to take over the government. Orizu rationalized his decision thus: "election malpractices of 1964 federal elections and the 1965 western regional elections had reached alarming dimensions, resulting in violence that was almost impossible for civilians to control. The military was called in to participate in policing the Western Region..." (1997, 12)

On January 15, 1966, the Acting President effected the suspension of the government in his broadcast to the nation: " I have tonight been advised by the Council of Ministers that they had come to the unanimous decision voluntarily to hand over the administration of the country to the armed forces of the Republic of Nigeria with immediate effect. All Ministers are assured of their personal safety by the new administration. I will now call on the GOC, Major-General Aguiyi Ironsi, to make a statement on the policy of the new administration. It is my fervent hope that the new administration will ensure the peace and stability of the Federal Republic of Nigeria, and that all citizens will give them their full cooperation" (Orizu 1997, 15). This clearly illustrates a case of extensive dependence on the military to maintain control, which not only revealed the weakness of civilian authority but also encouraged the military to believe that its intervention was indispensable to political stability (Liebenow 1986, 247-248).

General Gowon (as he would become) was overthrown by another band of military officers led by Major-General Murtala Mohammed in a bloodless coup in July 1975. General Olusegun Obasanjo succeeded General Mohammed, who was assasinated in a failed coup attempt led by Colonel Buka Suka Dimka in 1976. General Obasanjo would conduct a transition process culminating in the handing over in October 1979 to the short-lived civilian administration of Alhaji Shehu Shagari. The Shagari administration lasted from October 1979 to December 1983. The Shagari administration was said to lack both the vision and managerial capacity to evolve any consistent or viable social and economic development initiatives. His government's pathetic inability to create or encourage an enabling environment for market and economic development, amidst corruption and mismanagement, was said to have created a prevalent sense of hopelessness and helplessness, not to mention the perceived rigging of the presidential election of August 1983. By the time the Shagari administration was inaugurated in October 1983, for a second four-year term, the economic indicators were ominous Anunobi (1992, 220), had this to say:

> "The military coup d'etat which removed President Shagari's administration on New Year's Eve, 1983, took place against a background of corruption, enormous debts, high rate of inflation and unemployment, deteriorating terms of trade, and low rate of economic growth. Nigeria's global debt at the time of military take- over had reached an estimated $17 billion. Trade deficits account for nearly $4.8 billion of this debt. Imports had increased from an average of about $300 million a month in the mid-1970s to about $1.8 billion a month in 1983".

It was perhaps against this background that the military, under the leadership of General Mohammadu Buhari, on December 31, 1983, intervened to topple the civilian administration of Alhaji Shehu Shagari, with the "primary objective of saving the country from total collapse" (Kirk-Green, 1971). General Tunde Idiagbon would become the administration's number two (Chief of Staff, Supreme Headquarters). Generals Buhari and Idiagbon were everything that was dreaded and uncertain about military governments in Nigeria; in a socio-political sense, that is. They were as unorthodox in the management of the economy as they were strict and brutal in enforcing public discipline. In economic sense, that was perhaps the closest at the time, the country had come to sanity, stability and accountability after the disastrous Shagari years. Their time in government was brief and accountable. For the first time in the country's recent history, there was a sense of purpose and direction, even if enforced by a faceless and ruthless display of brute force. It is believed that the administration's human rights records were reprehensible. Nigerians were petrified to observe the application of brute, raw and unrestrained force in the regulation of economic, political and social life of the citizenry (Newswatch, November 20,1985). The administration was criticized for high-handedness. It was criticized that an administration that relied, almost exclusively, on the enforcement of discipline, transparency and accountability to pull the economy out of near-decade of recession was not only naive in terms of economic policy articulation, but was also unrealistic in terms of its own expectations (Business Times, August, 1985).

The impact of the two "crusading", no-nonsense Generals was not lost upon the military, their core constituency. Because of a widespread national corruption culture that had not only besmirched the military, but had made it its primary harbinger, some very senior military officers who were themselves absolutely corrupt and criminal felt ruffled and imminently threatened by this "rising tide". They would consider the removal of these crusading Generals a matter of both personal and group political and economic survival. It happened on August 27, 1985 when General Babangida and his band of loyal officers toppled the military government of General Buhari. Since he (Gen. Babangida) was one of the leaders of the original coup plotters that toppled the government of President Shagari in December 1983, it appears evident that personal ambition, as suggested by some commentators, was a motive for this intervention and indeed the perpetuation of coups d'etat in the sub-region (Decalo 1976, 15-22, 173-220; de Villkers 1976, 54-66).

General Babangida administration's was said to be absolutely and thoroughly corrupt (Ibrahim Shehu Usman, 1999; Abdul Raufu Mustapha, 1999). According to Usman (The News, October 4, 1999) "...IBB's (as he was fondly called by supporters) government was the worst. Worst in the sense that, it was a government without purpose. It was a government without direction...But during Babangida's era corruption and looting was legalized and even given credence. There was more looting during his time than Abacha's tenure, because Abacha actually deprived people from looting and he was just looting alone with some few elements. But during IBB's tenure, it was like corruption was legalized. If there was anything that the government was acknowledged for, it was the issue of legalization of looting..." Indeed Nigeria is yet to witness an absolutely corrupt, political and economic dispensation of such dislocating magnitude. Babangida's administration's display of political hooliganism and economic "hara-kiri" would embolden his regime to abort the conclusion of a NG (Naira) 300 billion dubious experimentation in democratic transition. The social and political instability the cancellation of the June 12, 1993 presidential election exercises engendered only further heightened an already precarious economic environment, further discouraging investment (foreign or domestic)

General Babangida would "step aside" in the ensuring social and political milieu, after setting up what he called the Interim National Government (ING), headed by his handpicked chairman, Chief Ernest Shonekan. That the ING was so short-lived and lasted for only six months was both predictable and inevitable. The Decree [4] setting up the interim government had an in-built disenabler clause. It provided, *inter alia*, for the succession by the most senior Minister in the event of the Head of State (chairman of ING) dying, resigning or being otherwise incapacitated. General Sani Abacha had participated in military governments since New Year's Eve 1983 when he announced the overthrow of the government of Alhaji Shehu Shagari. Indeed he had been an active participant and beneficiary of two successive successful coups. And perhaps not too coincidentally, he was also the most senior military officer of the original group [5] of coup plotters to survive retirement. General Abacha was indeed the most senior Minister both by virtue of his superior ministering (cabinet) experience and the fact that he was, at the time, the most powerful chief of army, Defence Minister, as well as Vice Chairman of ING. That he remained in government and the army after General Babangida "stepped aside" and indeed occupied such obvious critical and strategic position strongly suggests that the structure of the interim government was tailor-designed for him to, at some point in the near future, oust the Head of Government and Chairman of ING, Chief Shonekan.

Chief Shonekan was forced to resign on November 17, 1993, by Generals Abacha and Oladipo Diya. It has been suggested that General Abacha's succession was irregular and not as contemplated by the Decree (61 of 1993), and therefore meets the definition of a coup. This viewpoint is supported by the subsequent irregularities and illegalities that followed the "resignation" of Chief Shonekan shortly thereafter (Nwabueze, 1995). He summarily sacked all the cabinet Ministers who served with him in the interim government, as he also disbanded the two political parties, the National Republican Convention and the Social Democratic Party. Also sacked in the process was the Federal and States' popularly elected legislators as well the states' popularly elected Governors.

General Abacha ruled Nigeria from November 1993 to June 8, 1998, the date he reportedly died of an apparent heart attack. He supervised and participated chiefly in destroying the political and economic structure by his unabashed and unrestrained pillage of the national treasury. It would appear that he was as incurably kleptocratic and pathologically criminal as he was heartlessly brutal and evil. Nigeria effectively became a pariah nation under his administration. His unprecedented level of human rights' abuses not only compelled significant segments of the developed world to impose various forms of sanctions on Nigeria, including expulsion from the Commonwealth, they also completely consigned the country into the oblivion of *persona non grata* nations when it came to foreign investment and international participation. Needless to say, during his tenure foreign investment into Nigeria was said to be virtually non-existent (C.B.N., 1998).

General Abdulsalam Abubakar, who succeeded General Abacha on June 9, 1998, following his death, had this to say to the cabinet ministers who would serve under him in the implementation of his hurriedly-structured democratic transition process "...every human welfare and development index measuring the well-being of our people is on the decline ...Currently, we are the world's 13th poorest nation. Given our resource endowments, this sorry state is a serious indictment" (*The Economist*, August 29, 1998, 45-46). The administration of General Abubakar promised a return to civil rule, which it effected on May 29, 1999. General Abukakar's administration may not have been as absolutely brazen and creatively corrupt as General Babangida's nor as pathologically kleptocratic and brutally evil as General Abacha's, he nonetheless exhibited all the trademarks of economic recklessness and financial mismanagement and unaccountability notoriously associated with Nigeria military rulers. For example to appease his service chiefs who felt absolutely disinclined to leave office at the end of his tenure (as has been the tradition in this coup recurring country) following the emergent civilian dispensation, for them and sundry others, he would allow what appeared a last quick slurp at the trough. By the time the elected civilian government of President Olusegun Obasanjo took over on May 29, 1999, less than mid-way into fiscal year 1999, the federal deficit was a dizzying NG 254 billion (Obasanjo, 1999).

REGIME TYPE AND PUBLIC POLICY: STATE OF THE LITERATURE

It could be determined from the foregoing, that a general body of knowledge exists explaining military intervention. However, there appears to be lacunae on the issue of performance of soldiers after they have taking over government. The question is whether a military administration enhances or diminishes economic, and by implication market development capacity? In other words, is there something about the military regime that makes it better equipped and better prepared to handle government and policy issues more effectively and/or efficiently? Or in the words of Claude Welch (1971, 213), "Can a military-based government cope more successfully with the difficulties civilian regimes encountered?"

The dearth of statistics and the variability of peculiar national circumstances make a thorough investigation difficult. However, some studies have evaluated and attempted to explain the performance of regime types in the Third World countries, within the context of their political and economic ambiance. Some scholars have argued that military regimes are more "progressive" and essentially more conservative; others have contended that civilian governments are more legitimately "progressive"; and yet a third group has maintained that there is little or no difference between military and civilian regimes. Whether or not there is any supporting evidence(s) to these various contentions shall be determined by looking at the state of the literature.

THE MILITARY AS A PROGRESSIVE AND CONSERVATIVE FORCE

Furthering the contention of military regimes as a progressive force, some scholars have suggested that the likely consequences of military rule are: economic growth, the modernization of economic and social structures, and more equitable distribution of scare economic values and opportunities (Pye, 1962; Johnson, 1962; Huntington, 1968; Olson, 1982; Malloy, 1987). According to Lucian Pye, a leading proponent of this school of thought, the continuing modernization of the military's organization and weaponry has instilled in the officer corps, the military's core and indispensable competent component, the belief that their society ought also to be modernized:

> Above all else the revolution in military technology has caused the army leadersof the newly emergent countries to be extremely sensitive to the extent to which their countries are economically and technology underdeveloped. Called upon to perform roles basic to advance societies, the more politically conscious officers can hardly avoid being aware of the need for substantial changes in their own societies (Pye 1962, 280).

The officer corps' constant overseas training and experience, coupled with intermingling resulting therefrom highlights the inadequacy or "primitivity" of own home settings, which compels them (military) to "focus more on the standards common to the more industrialized world" (Pye 1962, 281). It has also been argued that the progressive consequence of military regimes stem from their civil structures and institutions which are of overwhelming superiority, with peculiar features that include central command, hierarchy, discipline, inter-communication and *espirit de corp* and a corresponding isolation and self-sufficiency (Finer, 1975, 4).

Cohen (1985), Sloan and Tedin (1987) and Biglaiser (1999) in their different studies of regime performance in Latin America, have argued that bureaucratic-authoritarian regimes show a higher level of efficiency than other regimes at promoting economic development, even if for varying underlying motives. Bureaucratic-authoritarian regimes are essentially military regimes governing with the tacit approval and collaboration of technocrats and domestic bourgeoisie (O'Donnell, 1973; Cardoso and Faletto 1979; Frieden 1991 and Silva 1993). Although a Latin America phenomenon, the bureaucratic-authoritarian model can be extrapolated to Africa in the determination of regime performance. This is especially so because two consecutive military regimes in Nigeria (General Gowon 1966-1975; and Generals Mohammed/Obasanjo 1975-1979); and Ghana (General Ankrah 1966-1969) exhibited some characteristics of bureaucratic-authoritarianism: the rule of the military in conjunction with technocrats (Cammack, Pool and Tordoff, 1988, 123).

Cohen, using interrupted time-series analysis, compared the performance of democratic and bureaucratic-authoritarian regimes in Brazil, Colombia and Argentina. He observed that such regimes have an advantage over democratic ones in effectively implementing the type of policies necessary to facilitate growth. And according to Olson (1982) and Malloy (1987), the regimes more generally provide the ideal circumstances for the attainment of high rates of economic growth in the medium and long run. Not only because they do not seek re-election or popularity, which enables them to ignore societal interests usually hurt in the short term by stabilization or adjustment policies (Biglaiser, 1999), but because the economic gains were often realized at enormous political cost (for example, suspension of constitutional rights, declaring state of emergency, press censorship, arrest, exiles and executions) (Cohen, 1985).

In their study, Sloan and Tedin (1987) employed a multi-variate model and year-by-year data from 1960 to 1980 in twenty Latin American countries to analyze the relationship between regime type, regime age, and public policy. They employed two independent variables (regime type and number of years a specific regime has been in government) in an attempt to explain variations in policy outputs. They identified five regime types. These were democratic, bureaucratic-authoritarian (BA), communist, "traditional authoritarian" (TA) and "transitional". According to Sloan and Tedin (1987, 104), TA regimes were either personal dictatorships or "oligarchic democracies". The label transitional regime was used to account for any year in which a country experienced a change in regime control of government.

Having identified the various regime types, Sloan and Tedin went on to evaluate regime effect on five separate policy areas. They were: domestic economic performance, agricultural production, military spending, external debt and domestic social performance. Like Cohen (1985), they found that bureaucratic-authoritarian regimes were the most effective in achieving economic growth; albeit a less than impressive record controlling inflation and taking on heavy external debts. The democratic regimes, on the other hand, performed adequately and had the second-best record in all five-policy areas.

As a conservative force, some scholars have argued that the military structure is governed by a complex mass of regulations, customs and traditions, with the result that it is primarily preoccupied with the maintenance of order and the *status quo* (Huntington 1972, 14-16). For even where social and economic factors persuade intervention, military government seldom possesses the organizational and political skills to effect significant changes. According to Bienen (1971), military governors are prone to directing their attention and resources at preserving order the moment it becomes evident that their goal of effecting economic growth and social change (often times a primary justification for most military interventions) are difficult to attain. Indeed some scholars have argued that on attainment of power, the military rulers get concerned also about the protection of their own interest and those of the military. "They fall in love with the power that has come so easily, and to convert their 'interim' regimes into full-blooded rule by the military" (Finer 1975, 32).

Nordlinger (1970) employed statistical analysis of economic change under military regimes to advance the hypothesis that military governments do not really act as agents of modernization. In what seems a modification of his original contention, he stated that "within a particular social and political context (where there is hardly a middle class to speak of, and when workers and peasants have not been effectively mobilized, politically) soldiers in mufti sometimes allow or even encourage economic modernization" (1970, 1134). Indeed, Ayittey (1991, 152-157), Nordlinger (1970), Skocpol, (1979), and Bates (1981), like most analysts, are of the opinion that under military regimes, the interests of military are accorded the highest priority, even when they directly conflict with the interests and aspiration of the larger segments of the society.

In his review of the World Handbook of Social and Political Indicators, Nordlinger came to the conclusion that in those countries in which there was direct military rule during at least part of the period from 1957 to 1962 (n=18), the average percentage of Gross National Product (GNP) spent on defense was 3.6; but the corresponding figure among those countries in which the military did not serve as governors, but did exert a good deal of political influence (n=20) was 3.4; and those countries in which the military 's activities remained circumscribed within their instrumental role (n=36) it was 1.9 (1970, 1135). It would appear that the proportion of GNP devoted to defense is almost twice as large in countries overtly ruled by the military as it is in countries with non-politicized military.

In his study, Nordlinger included 74 countries which he grouped into four regions: Latin America (n=21); Middle East and North Africa (n=15); Asia (n=15); and Tropical Africa (n=23). As Sudan was the only tropical African country with a military regime during the period covered by his study (1957-1962), there are questions raised as to the relevance of his study in terms of general applicability to the current situation in Africa. Recent studies have shown that when the military take over power in Africa today, its preoccupation at protecting its-own interest is no less intense and disproportionate, thus confirming the findings in Nordlinger's study. The World Bank (November 1989, 23) expressed concern at the level of military expenditure in Africa: "Military spending has diverted enormous resources from Southern Africa's development, and has consumed nearly 50 percent of government expenditures in the countries experiencing the worst destabilization". According to Whitaker (1988, 43), "The proportion of African funds going to equip and pay the military has been steadily rising, reaching for example, over 40 percent in Ethiopia, and 25 and 20 percent respectively in drought-ravaged Mauritania and Mali". This disproportion GNP allocation is a prevalent pattern in Africa:

> "Military spending by African countries, according to the US Center for Defense Information, reached $16.9 billion in 1983, up 400 percent from $3.8 billion in 1973. Sixteen African countries spent more on arms than they received in aid. Libya topped the list with $1.9 billion in arms purchases against $52 million in aid. Nigeria spent $430 million in arms. Many other African countries also spent more on military than on health. Gabon ($88 versus $49) The Congo ($45 versus $25); Mauritania ($31 versus $6)" (Ayittey, 1991, 153).

Indeed, under military regimes, general societal well-being is perfunctorily a secondary, not a primary consideration. "Developing countries have 8 times more soldiers than physicians and the ratio of soldiers to teachers in some cases is as high as 5 to 1" (UN Report on Human Development, 1990). And according to the UN Center for

Peace and Disarmament, "Africa spends about $12 billion a year on the purchase of arms, an amount which is equal to what Africa was requesting in financial aid over the next 5 years" (West Africa, May 1, 1987, 912).

Nordlinger (1970) and Biglaiser (1999, 4-7), attempted to show how officers are wont to identify and sympathize with middle class interests in the formulation and implementation of public policy under military regimes. While agreeing with the general hypothesis that the military acts to protect middle-class interests, Nordlinger advanced what appears to be a supplementary hypothesis noting that "soldiers in mufti will protect the *status quo* only where the middle-class interests are seen to be threatened" (1970, 1142-43). From his analysis, which were based on data collected by Irma Adelman and Cynthia Morris (1967), Nordlinger inferred that military governments failed to sponsor economic modernization in countries where more than ten percent of the active male population was employed in middle-class occupations: commerce, banking insurance, technical, professional, managerial, administrative and clerical positions (1970, 1143).

Some scholars have subsequently propounded some hypothesis with a view to further elucidation on the rather complicated and intricate conservative military policy-making (Edward Feit, 1973; Claude E. Welch and Arthur K Smith, 1974; and Glen Biglaiser, 1999). Feit (1973) argued that most military governments evolve through three stages. The first stage is characterized by direct control of the polity by military officers. In this stage, military officials hold all principal offices in the country, usually of a short duration. This stage is followed by the second stage, in which civilian technocrats are absorbed into the regime, which claims to be apolitical. This functional arrangement, some sort of cohesion without consensus, which is bourne out of political convenience and expediency of mutually suspicious and hostile social forces, permits the military to claim significant civilian participation while still maintaining power. This was especially the case in Nigeria under General Abacha, following the overthrow of the Interim National Government. This apparent uneasy coalition hold together only as long as each component part believes that its interests will be best served by remaining within it, and that none will profit more than the other. This coalition of mutual unease and suspicion from the outset inhibits any serious attempt at social regeneration or significant change for fear of coalition disintegration. According to Feit, the hostility of the opposing interest comes to a boil, thereby breaking the coalition, and with it the military regime.

In other to avoid this scenario, and indeed to be able to initiate the promised regeneration of society (often times the original basis or justification for intervention), the regime shifts to a third phase: presumptuously apolitical to avowedly political. In this phase, the leaders seek a mass base as a means of legitimizing the regime and precipitating progress. To this end, the regime creates sets of symbols by which it attempts to rally the support and loyalty of the masses. In addition, it creates mass parties in which the masses can be trained to a given political ritual. These mass parties are incapable of holding the allegiance of the masses since the enabling condition for such coalition, which is meaningful representation, cannot be attained. Eventually the hollowness of the ritual becomes evident, leading to the destruction of any mass following the regime may have acquired. According to Feit (1973, 6-19), the military regime fails because it can neither hold together the disparate and hostile social forces it has had to harness, nor maintain the mass support that it needs to maintain some semblance of legitimacy. Feit's model reveals therefore that because of the constraints imposed by political and organizational factors, which essentially limits their ability to initiate or maintain socio-economic development, military governors do not make good governors.

Welch and Smith (1974) in their consideration of military regimes, on the other hand, identified four principal types: predatory, reformist, radical and guardian. In their opinion, the great majority of recent military regimes have reflected the propensity of military officers in emerging societies to establish themselves as the unique custodians of the "national interest".

Guardian military regimes place an overwhelming value on political stability and order or on their corporate interest. Unlike radical and reformist regimes, military guardians consider change to be of secondary importance, and they prefer that change take place through a gradual and orderly process. In manner of speaking, they are primarily "law and order" men. The authors went on to identify four major categories of military guardianship: direct, arbiter, factional and post-colonial. The post-colonial variety is the most prevalent in sub-Saharan Africa; whilst for Latin America the other forms of military guardianship apply.

In direct guardianship, the military regime assumes direct responsibility for government by ruling for indefinite periods. In arbiter guardianship, the military tend to act indirectly as custodians of national interests, supporting civilian elites they deem acceptable and setting limits on the policy choices open to government leaders. Factional guardianship is similar to arbiter guardianship. However, in the arbiter guardianship, the armed forces are relatively weak and organizationally fragmented. They are, as a consequence, unable to effect fundamental changes.

The preoccupation of post-colonial guardians is to restore orderly processes to a social order distorted by mismanagement and misgovernment. The post-colonial guardianship is more geared towards restoring institutional stability and international investor confidence. However, it would appear that the military rulers are more interested in economic development and the overall growth of the middle class. A conception, which perhaps explains the seemingly abiding inclination of successive military government's pledge to honour and observe virtually all and any multi-national and related international obligations entered into by a preceding government.

Welch and Smith proceeded to look at case studies of civilian-military relationships in some countries: Nigeria, Peru, Thailand, Egypt and France. France's situation is peculiar, in that, although the military was instrumental in bringing down the Fourth Republic, it was not part of its intent to supplant the civilian government (Welch and Smith, 1974, 205-233). The case study also reveal that the scope and character of the political role of the military are conditioned by a large number of intervening and interacting institutional and environmental variables. Notwithstanding, Welch and Smith still believe that the outcomes of military intervention and its implications for socio-economic modernization and political development conform to a pattern, which they called the "Garrison- Managerial State". The underlying conception is that as military institutions throughout the Third World have become more differentiated and specialized, and as officer corps becomes more professionalized, the performance in office of military politicians tended to be more bureaucratic than political in both motivation and effect. Military rule focuses primarily on policies that serve the narrow interest of the armed forces. Secondarily, they seek the preservation of public order. Thirdly, they seek the promotion of stable industrial growth; and lastly (if ever), they advocate policies designed to bring about social and economic reform (1974, 260).

In his study dealing with regime performance in Africa, Berg-Schlosser (1984) identifies four African regime types and proceeded to evaluate their performance on three main levels: polyarchic, socialist, civil authoritarian and military. His first level of evaluation includes the achievement of socio-economic development; the second level is the degree of dependence on external economic and political forces; and the third level is the achievement of a good political order (1984, 134).

The result of his analysis is consistent with World Bank findings (World Bank 1989, 6, 15, 60-61 and 192) and contradicts the generally held view that democracy adversely affects economic growth in developing countries. According to Berg-Schlosser, polyarchic systems fare quite well both in terms of GNP growth and the improvement of basic quality of life. They appear to also have the best record when it comes to normative standards, such as the achievement of good political order (like protecting civil liberties and guaranteeing freedom from political oppression). Military regimes, on the other hand, did not fare very well; nor as well as their civilian counterpart. As "military regimes clearly show themselves to be no remedy whatsoever for the problems of Africa, either in terms of their economic performance or of their observation of normative standards" (Berg-Schlosser, 1984, 121-151).

However Huntington (1968), who appears much more interested in the comparative correlationship between the two contending views, believes that the difference between the two (progressive and conservative) is a function of both relative levels of development and societal dynamism:

> "As society changes, so does the role of the military. In the world of oligarchy, the soldier is a radical, in the middle-class world, he is a participant and arbiter; as the mass society looms on the horizon he becomes the conservative guardian of the existing order. Thus paradoxically but understandably, the more backward a society is the more progressive the role of the military; the more advanced a society becomes, the more conservative and reactionary becomes the role of its military" (1968, 221).

Huntington's argument seems to authenticate the contending views of the military as both conservative and progressive, even as it makes no attempt at distinguishing between "backward" and "advanced" societies. However, it would appear that those usages relate to social and economic development; which by that very definition would suggest that almost all the countries in Africa fall into the "backward" category. In this context therefore, Huntington's hypothesis seems consistent with that of Pye, in that they both emphasize the dynamism and changing role of the military, depending on the societal settings. It follows also that in regions where economic and social development are at a relatively more advanced stage, military regimes tend to act as conservative forces, which would imply that they act as a progressive force in Africa.

The social and economic situation in Africa, with dominant military administrations, is not one of "progressivity" as postulated. With the possible exception of Gabon and Sychelles, with average annual per capital GDPs of approximately $700 and $500 respectively, the annual average per capita GDP of virtually all the other nations in the sub-region is on the decline. On average per capita income fell from $600 in 1981 to $360 in 1992.

REGIME TYPE AND DISCERNIBLE DIFFERENCE(S)

When it comes to regime performance, some studies have concluded that few, if any, significant differences exist between military and civilian regimes; and even less so for alternating or consecutive military regimes. In a cross-national, aggregate study of all independent, non-communist countries with a population greater than one million, R.D. McKinlay and A.S. Cohan (1975) found that military rule in the Third World has no discernible economic policy consequences. They concluded "the occurrence of military regime does not have a pronounced effect on economic performance when military regime (MR) are compared to period of civilian rule in countries that have experienced military regimes" (CRM) (1975, 20). It was also their finding that military regimes have no significant effect on economic performance when both MR and CRM are compared with CR 900 (low income countries which have experienced only civilian rule). In relation to overall regime performance, McKinlay and Cohan concluded that military regimes in the Third World are not a homogenous group that can be clearly differentiated from civilian regimes (1975, 1-30)

Along the line of this field of research was the attempt by Robert Jackman (1976) to evaluate the efficacy of the foregoing postulations. Jackman used the Adleman and Morris (1967) data, in addition to a new set of data covering the periods from 1960 to 1970 for 77 Third World countries to assess the validity of the different hypotheses about the impact of military rule. Indeed his general model, which indulged a comparative evaluation of the arguments of Pye (1962), Huntington (1968) and Nordlinger (1970), failed to confirm any of the competing hypotheses. He opines:

> "In short, military intervention in the politics of the Third World has no unique effects on social change regardless of either level of economic development or geographic region. We can conclude that blanket statement portraying military governments in the Third World as either progressive or reactionary are without empirical foundation. This implies that many observers may have been mistaken in attributing unique political skills to the military, whether directed towards progressive or conservative ends. We can also conclude that military regimes do not assume different mantles as countries of the Third World become wealthier. In short, the simple civilian-military government distinction appears to be of little use in the explanation of social change" (1976, 1096-1097).

CONCLUSION

The above review clearly shows that there are different performance levels for both military and civilian administrations on assumption of office. It also shows that this (performance level) is both a function of relative state of national development and societal dynamism. Indeed, the review is rather inconclusive as to whether the military administration are better equipped as against civilian ones in coping with the problems of a developing country. With the possible exception of three studies (Pye 1962; Cohen 1985; Sloan and Tedin 1987), the proponents of these studies seem to arrive at the same conclusion, albeit through different routes, namely that military rule has a negative, or at best, no impact upon social and economic changes in the Third World countries. Nordlinger (1970) McKinlay and Cohan (1975), Jackman (1976), Berg-Schlosser (1984), Cohen (1985) and Sloan and Tedin (1987) arrive at their conclusion by employing statistical analysis, while the other proponents do so by case studies.

It would appear that the proposition advanced by some scholars (Olson, 1982) and Malloy, 1987), that military regimes are positive agents for economic and social modernization is based on a number of unwarranted and tenuous assumptions. The first assumption is that the education and training which soldiers receive "in the context of their environment socialize" them into professional men, with attributes that make for good governors. The second is that such acquired values and attributes are transferable into situations or occupational roles, which are not primarily military. The third and final assumption is that, in the process of governing a civilian society, these military values are transmitted to the rest of society in a way that regulates societal behavior and that consequently changes such societies for the better.

Although a number of studies appear to support the first assumption, particularly within the officer corps, their general applicability to the African military elites would not only be out of place but misleading. According to Moore (1970, 6), the kind of training, which produces a top military professional, in general is usually of exceptional duration. That can hardly be said to be the case for any of the African nations since, following independence in many of these countries, there was the rapid "Africanization" of the officer corps, which called for the replacement of the colonial officer corps with an indigenous one with the inevitable shortening of training periods to achieve these goals. For example, even though the officer corps of the Nigerian army was a mere 18 percent indigenized by January 1960, it was completely Nigerianized by the end of 1965 (Welch 1987, 103). This state of transitionary frame was too short to produce the kind of high caliber of officers to positively impact on the quality of officer corps. For as Ogbebor (1976, 12) would observe, himself a retired major in the Nigerian army, the degree of professional proficiency in the Nigerian Army of today was significantly inferior to that of the Nigerian pre-civil war soldier.

Apart from the deliberate exercise of indigenization of the military in Africa, there are also the recurrent incidences of civil wars and political appointments for the military. There has been incidences of civil wars (Liberia, Ethiopia, Chad, Nigeria and Sudan), which create the necessity for rapid and crash training, as well as quick promotions to officer cadre, to fill manpower needs. In addition, in military–led governments, the movement of senior officers to staff civilian administrative positions brings about the premature promotions of junior officers to senior positions. Indeed there is also the high attrition rate in a gravely politicized military (as in Nigeria) where within a decade (1985–1995), the military witnessed the inexplicable, but recurring "retirement" of its most senior and experienced officers, and the need to promote poorly trained and low quality junior officers to take their place (Goodluck Ebelo, 1999). The cumulative result of all of these is the presence of considerable mediocrity among the professional officer corps within these nations.

Available evidence suggests that members of the military in most African countries do not all live in isolated barracks; neither do they have the kind of facility and capacity to enhance their education and training. The lack of adequate barracks facilities and the unwieldy size of the army ensure that the education and training of military personnel are conducted in facilities, which are not insulated from interference by civilians. As a practical matter, civilian and soldiers mix freely within the society and in public, so that it would be safe to say that in most of these countries the military has been adulterated to the point of indistinguishable "civilianization". Needless to say that it would be futile to argue that the absorption of military values or attitudes, directly or indirectly, would have any significant educational or training impact on the larger society, which if anything, may be dangerously "civilianizing" the military. As a matter of fact, a number of factors, including manpower shortage and resource constraints in much of developing Africa, make it difficult to agree with those scholars (Pye 1962; Daadler 1962; Johnson 1962) who argue that military officers possess special qualities and attributes which make for good governors.

The argument by Pye that overseas training or duty would persuade the officer corps to modernize its own national military is bourne out of the assumption that their training and its practical application would positively translate into reforms at the local levels. Indeed the prevalent evidence in the region will tend to suggest that the more western education and training, and this cuts across military and civilian strata, the less disposed they are to modernization and more to corruption, mismanagement and repression. Virtually all of Africa's political elites which where part of the struggle for independence and ended up becoming part of its early leadership after independence were, like the officer corps, trained overseas. They included Hastings Kamuzu Banda of Malawi, Kwame Nkrumah of Ghana, Nnamdi Azikiwe and Obafemi Awolowo of Nigeria, and Leopold Senghor of Senegal. It is also the case that overseas training may compel the kind of negative exposure and impact that persuades premature emulation of western living and values in a rural and impoverished African setting, thereby triggering the kind of wholesale looting of national treasuries that have characterized military regimes in much of Africa (Nigeria, Zaire, Liberia and The Gambia) to sustain such acquired habits and tastes.

Besides, the link between education and training, and by extension economic policy, is one that is difficult to establish. Indeed to the extent that the officer corps is susceptible to group and societal pressures and influences, their military training and experience as the predictor of political or economic thrusts loses its efficacy. In most Third World countries, including Africa, pressures from powerful economic interests lead to a particular set of economic policies (Cardoso and Faletto 1979; Frieden 1991, O'Donnell 1973; Silva 1993). The prevalent pattern in military administration is also one that relies heavily on the expertise of the technocrat "civil servants" for the implementations of policies. And studies have shown that state officials sometimes have policy preferences that are reflective neither of military leadership thinking nor important economic interest in society (Skocpol 1979; Bates 1981; Ayida, 1987).

The argument by Nordlinger (1970) that increases in military spending in countries with military regimes lead to a decline in the performance of other sectors of the economy may also be founded on debatable analysis. For if the issues were structured to inquire into how detrimental increases in military spending are to economic development, then the analysis would be one of opportunity cost directly related to that alternatives forgone. In which case, it would also be necessary to compare defense budgets with allocations in other sectors of the economy by evaluating available data. Unfortunately, Nordlinger did not provide this data in his analysis. Also he failed to address the possible spillover effects of increases in defense spending, where it is believed such effects are bound to stimulate growth in other sectors of the domestic economy. An example is the United States, which experienced tremendous economic growth during and immediately after World War II, in large part due to increased defense spending. The point needs be made though, that using the experience of the United States in this spill-over effects argument is one of incomparables, in that whilst the increase benefitted the domestic economy, as the recipient of that increased spending, the same cannot be said of the Third World countries, which are primarily importers of all defense and other manufactured products. Besides, economic spillover effects may not hold true for most of the nations in Africa in real economic terms, since private sector profits are not always the result of efficient operation or increased productivity, but rather represent money that private contractors make through inflated contracts, patronage and corruption. Hence, many of the richest people in the private sector in these countries make their money, for the most part, through their public sector connection and influence (Ugorji, 1995). Finally, it may well be that increases in military expenditure under military regimes do not preclude the ability of military governors to act as agents of economic modernization. However, it is hard to imagine how increases in military expenditure would not impact on the overall sectoral budgetary allocations, including economic development prioritization.

It would appear that the different approaches employed by these analysts could impose significant limitations on the validity of their findings. The studies of Fiet (1973) and Welch and Smith (1974) seem to suffer from such limitations. For example, although Feit's model proved useful for explaining the performances of military regimes that make up the case studies in his book (Spain, Argentina, Pakistan, Burma and Egypt), it failed to prove an adequate model for explaining away military regime performance in tropical Africa. Meaning of course that some military regimes in the region (Liberia, Nigeria, Togo, Benin, Niger and Ghana) did not experience Fiet's first stage, proceeding directly to some variation of the second stage. While yet other regimes remained at the second stage until either toppled or voluntarily returning to the barracks. Yet still other regimes have gone through the first and second stages without actually reaching the final, "mass-party" stage. However, Zaire, under Mobutu seems to have gone through all three stages (Willame, 1970, 149; Africa, March 1985). Within the West African sub-region, Ghana, Togo Mali, Benin and Nigeria (with a particularly curious variant) experimented with the formation of political parties by military leaders.

Finally it is worth noting that the duration of military or civilian rule has been too brief for a meaningful longitudinal study. For example Nordlinger's (1970) study, which concluded that military rule was essentially conservative, is based on cross-national data for periods 1957-1962. A similar study by Robert Jackman (1976) over a longer period of time (1960-1970) came to a different conclusion. These varying results strongly suggest that statistical data from African countries, and especially those with military governments, should be applied with caution. Notwithstanding these limitations however, investigators who employ statistical analysis in evaluating regime performance in third world countries still perform a useful task. Not the least, the fact that their efforts scrvc the pertinent purpose of directing attention to some indicators for the evaluation of regime performance, in addition to forming the "building block" for future research focus and possibly making use of improved data.

ENDNOTES

1. *Africa News*, August 22, 1983; *West Africa*, August, 1983.

2. The coup d'etat was characterized as a "palace coup" by reason of the fact that it was the overthrow by one of the original coup plotters, who was himself one of the leaders. It was an exercise that occurred within due to intrigues in the highest echelons of military leadership without the characteristic violence or bloodshed.

3. *The Daily Times*, January 16 & 17, 1966.

4. Chapter five (V), subsection 48 of the Interim National Government (ING) Decree 61 states, inter alia, that "the most senior minister shall hold the office of Head of the Interim National Government if the office of the Head of IGN becomes vacant by reason of death or resignation".

5. *Tempo*, (Nigerian) June 17, 1999. General Babangida's tenure was marked by the kind of senior officer attrition that became a standard for regimes after him. The inexplicability of General Abacha surviving these constant series of senior officer's retirement is suspect.

CHAPTER THREE

THEORIES AND CONCEPTS OF DEVELOPMENT AND RELEVANCE TO NIGERIA

INTRODUCTION

Military intervention in much of Sub-Saharan Africa (SSA), and especially Nigeria has been rationalized or justified on the predominant inability of the civilian (democratic) governments to effect meaningful economic development in these countries. The question thus has been: what is economic development? Is the term susceptible to different definitions and meaning, depending on whether it is a military or civilian government? Interestingly enough, some analysts and theorists have offered competing opinions on the issue (Blomtrom and Hettue, 1979; Streeten, 1984; Todaro, 1989; Meier and Stiglitz, 2001). Although there is consensus on the general state of economic under-development within much of developing countries, particularly SSA, there is disagreement as to the possible causes and remedies. This chapter is an attempt to evaluate the different perspectives on development and the relevance of their contextual usage in understanding economic and market development under the military in Nigeria.

The meaning and/or definition of economic development are so nebulous and normatively relative that it does not quite lend itself to absolute categorization, not even in the traditional sense of the usage. However, the definition that gradually emerged from a strictly orthodox focus sought to embrace perspectives, which encompass new paradigms, especially as they relate to the Third World countries. This new perspective is especially significant since analysts believe that the orthodox focus or bearing was limited in scope and thrust, and thus did not broadly or comprehensively articulate a meaning or definition outside the context of established norms or usages (Meier and Stiglitz, 2001).

It would seem to suggest therefore, that the so-called new view or focus in the definition of development is not particularly new. Rather, it is the expansion and generalization of a hitherto peculiarly trite normative usage by providing it (definition of development) a kind of inclusive expansiveness, with perhaps greater emphasis to locale-specific socio-cultural, political and economic relevance. According to Paul Streeten (1984, 111, 114-115), although the shift in perception has been described as "recent", some of these changes go back a considerable time. Indeed, hardly any of the features of the "old" perception were generally acceptable at any stage, and qualifications, criticisms and alternative perceptions were put forward almost as soon as "orthodox" perception had been formulated. In view of these changing perceptions in the term and usage, it is not surprising therefore that they have been interpreted to mean different things or have different emphasis for cultures and societies, depending on their value-judgement and national pre-occupation (Todaro, 1989; Thirlwall, 1994; Coleman and Nixon, 1986).

CONCEPTS OF DEVELOPMENT: A GENERAL PERSPECTIVE

The word development has been variously defined by most theorists; each with a perspective as different as their peculiar focus and endeavour. The exercise is not made any easier when added the words "development" and "growth". Indeed the two words have constantly been interchangeably used, that wittingly or unwittingly the intellectual assumption in some quarters has been made that they mean one and the same thing (Dudley Seers 1969). For example the traditional notion of growth implied that economic development would necessarily have occurred when an economy can generate and sustain an annual increase in its gross national product. However, economic prevalences, especially in the developing countries in the years immediately following the Second World War (WWII) prompted inquisitive inquiry on this traditional thinking. Following the end of WWII, the economic growth of some of the developing countries was rapid and showed impressive growth rates, while some actually exceeded expectations by sometimes outperforming "recommended" targets. Available data (World Bank Report 1973; E. Wayne Nafziger, 1996; Andrew M. Kamarck, 1967) show that real growth rates for developing countries as a whole between 1870 and 1950 were less than one per cent per year, compared to about 3.4 per cent per year for periods between 1950 and 1975. The World Bank Report (1973) noted that this rate was significantly faster than that of developed countries in any comparable period before 1950. For example, the periods between 1960 and 1980 witnessed annual growth rates of 3.5 percent for countries like South Korea, Taiwan, Indonesia, Brazil, Malaysia and Nigeria (Nafziger, 1996, 68). In the words of Andrew M. Kamarck:

> "The years since World War II can be divided into two phases – 1945-60 and the years since. Until 1960, Africa in general did very well economically. The indications are that economic growth in Africa during the period was at least as fast as in any other major underdeveloped region of the world, production and export grew rapidly; gross national product grew in the vicinity of 4-6 per cent per year in real terms. Only the Middle Eastern oil-producing countries showed a more rapid growth of exports...
> ...Some areas - like the Rhodesias, the Belgian Congo, Morocco, Gabon, Kenya - grew at rates of 6-11 per cent per year, rates among the highest in the World ...Other African lands - Tunisia, Algeria, Ghana, Nigeria, French West Africa, Liberia, Uganda, Tanganyika, South Africa-grew at rates of 4-6 per cent per year, not spectacular but more than satisfactory" (1967, 17).

Although some of these countries did out-perform "informed" predictions, while some actually met overall United Nations First Development Decade targets, what was inexplicable was the fact that the living conditions or standards of the majority of their citizenry did not improve at comparable rates of growth. In other words, the majority of their citizenry remained impoverished. Abject poverty, high unemployment, high illiteracy, gross inequality in income distribution remained. All of these in the face of impressive growth rates, created a palpable disconnect which could not explain "growth" without "development". According to W.W. Rostow, (1960, 378) in a good many countries high overall real growth rates were accompanied by considerable mass poverty, unemployment and partial employment, and by other social ills.

The persistent presence and recurring feature of these negative indexes compelled a re-evaluation, because until then, there was an assumed inextricability between growth and development. It was assumed that one (growth) was the harbinger of the other (development). "...Growth and development tend to go together and to be mutually re-enforcing. A growing economy tends to generate development, and a developed economy provides the wherewithal and incentive for further investment for growth" (Yusufu, T.M., 1996, 30).

However, theorists (Seers, 1977, 5; Blomtrom and Hettue, 1979, 8-9; and Streeten 1984, 111) contend that although early attempts at construing development theories were marked by the fact that the concept of development and growth were considered synonymous, there was a need to draw a distinction. According to Seers (1977, 5), development ought to embody improvements in the quality of life of the population by the provision of basic necessities such as shelter, food, employment, reduction of income inequality and self-reliance. Blomtrom and Hettue (1979) believe that development meant measured growth and associated changes, in addition to systematic changes of economic and political institutions in a growth-promoting direction. Essentially, they believe growth entails rising per capita output and all-inclusive improvement in a nation's economic activities; with the resultant improvement in the standard of living, growing commercialization of production, gradual improvement of markets, shifts in the composition of output by sector of origin and a rise in savings and investment, as a percentage of gross national product (1979, 9). Streeten, who brings a refreshingly current perspective to the debate (in Michael Todaro, 1989, 62) contends that early thinking and policy making was dominated by economic growth as a principal performance criterion of development, and because of the redundancy of that original thinking, development must be redefined as an attack on the chief evils of the world today--- malnutrition, disease, illiteracy, slums, unemployment and inequality. He also believes that measured in terms of aggregate growth rates, development has been a success. But measured in terms of jobs, justice and the elimination of poverty, it has been a failure or only a partial success. For Todaro (1989, 86), "economic development" has traditionally meant the capacity of a national economy, whose initial or prevailing economic condition has more or less been static to generate and sustain an annual increase in its gross national product at rates of perhaps 5 per cent or 7 per cent or more. That is to say, there is reasonable positive alteration in the general economic sphere as to evolve and engender improvements in the overall well being of the citizenry". The conclusion that may be drawn from all of these is that of shifting emphasis on the meaning of economic development: one that emphasizes national economic activities that emerge from rural agricultural agrarianism to urbanization; when employment and production emphasis would have shifted from purely agricultural, agrarian activities to manufacturing and service industries (Rostow, 1960).

The new emphasis, much as it redirected the collective focus and perhaps provided what appeared to be a much more acceptable functional definition, one which emphasized "the human elevation" in the meaning and process of economic development, especially for the Third World countries. However, it failed to recognize that "development" carries with it a different meaning for different people and cultures, depending on their national preoccupation, which in turn is rooted in their value systems.

Coleman, D. and Nixon, F. (1986) believe that not only are value judgements an inevitable part of deciding what concepts and relationships should be employed to answer questions such as "what causes development?" or "has development occurred in any specific instance?" but that value judgements are also necessary in how to present concepts empirically. Todaro, (1989, 11) believes that the normative subjectivity of both the usuage and meaning freely indulges regional and national value judgements and idiosyncracies, "tendencies which are subject to variations in different countries and cultures and at different times". He also believes that many so-called general economic models are in fact based on a set of implicit assumptions about human behaviour and economic relationships that may have little or no connection with the realities of developing economies. For him, therefore, "development should be perceived as a multi-dimensional process involving the reorganization and reorientation of entire economic and social system. In addition to improvements in incomes and output, it ought typically to involve radical changes in institutional, social and administrative structures as well as in popular attitudes and, in many cases, even customs and beliefs" (Todaro, 1989, 62). Thirlwall (1994, 9-10), who asserts that a concept of development requires to embrace the major economic and social objectives and values for which a society strives, goes on to contend that poverty is more or less a national creation and/or location, an act of commission or omission in policy formulation and implementation, including factor allocation, on the part of the particular country to its resources. "...Countries are poor because they lack resources or the willingness to bring them into use" (1994, 4). Yet this does not begin to make the definition and/or meaning any less complicated, for as Lewis, Arthur W. (in W.W. Rostow, 1960, 397-398) explained:

> "The most difficult problem...is to explain why people hold the beliefs they do. Economic growth depends on attitudes to work, to wealth, to thrift, to having children, to invention, to strangers, to adventure and so on, and all these attitudes flow from deep spring in the human mind. There have been attempts to explain why these attitudes vary from one community to another. One can look to differences in religion, but this is merely to restate the problem... The experienced sociologist knows that these questions are unanswerable, certainly in our present state of knowledge, and probably for all time..."

From the foregoing, the assumption is that perhaps "development" has a qualitative content to it that can only be defined with respect to its subjective values, even as these are a matter of belief (Cowen and Shenton, 1996). However, the other critical question, and for this there is little consensus is: what constitutes "development"? What form should "development" take? What may be the prerequisites for such a process? And what may account for lack thereof, especially for the Third World countries? And especially under a military government, could there possibly be a distinct institutional value system unique to the military? The lack of consensus in these regards further compounds the different and competing strands of thoughts or approaches being canvassed by economic theorists. There are four relevant strands, each persuasive and expansive, but nonetheless arguable and inconclusive.

According to Todaro (1989, 63-82) these may be classified as:

1- The Linear Stages of Growth Model
2- Theories and Patterns of Structural Changes

3- The International Dependence Revolution; and
4- The Neo-classical, Free Market, Counter- Revolution

LINEAR STAGES OF GROWTH MODEL

The linear stages of growth model have, as one of its prominent proponents, W.W. Rostow. In his work, "The Stages of Economic Growth", he attempted to show that transition from under- development to development must follow a predictable pattern of stages through which all nations truly and meaningfully aspiring to develop must pass. Although, in his analysis he acknowledged the dynamism of economic, political, social and cultural inter-connectedness that may sometimes dictate a different sequential outcome, he nonetheless identified five main stages of development: 1- The Traditional Society Stage; 2 - The Precondition for Take-Off Stage; 3 - The Take-Off Stage; 4 - The Drive for Maturity Stage and 5 - The Age of Mass-Consumption.

According to Rostow (1960, 4-6), the under-developed countries are in large part, at the rudimentary, primitive stage or the precondition for take-off. A stage characterized by a high proportion of the workforce in agriculture (greater than 75 per cent) by some estimates), coupled with very little mobility or social change, great divisions of wealth and decentralized political power. These traditional societies, of which few, if any, are still existing today, in the typical model of his usage, would be inhibited from attaining self-sustaining growth if they failed to follow certain set processes.

The Precondition Stage, in his typical development evolution, comprises the transition stage. Its main features require, among other things, that the level of investment be raised up to 10 per cent or more of the national income to ensure sustainable growth (1960, 60). However, this stage, in some situations and given certain national circumstances, have taking a decidedly different form for some of the emerging Third World countries, who witnessed what might be characterized as "some external influence-imposition by more advanced countries". The effects of which, it is believed, "shocked and stampeded" the traditional societies and initiated them into the World Markets and international participation, thus widening their scope internally and externally in the areas of commerce, manufacturing enterprise and levels of investment mobilization (1960, 6).

However, Rostow argues that for a majority of the Third World countries, this stage is handicapped (hobbled) because of the limited pace "within an economy and a conflicted society still mainly characterized by traditional low productivity methods, by old social structures and values, and regionally based political institutions that developed in conjunction with them" (Todaro, 1989, 88), including the unallayed suspicions of indigenous people regarding colonial power's machinations, the seeming imposition of constructing a social overload capital and the introduction of industries from abroad (A.P. Thirlwall, 1994, 62).

If Rostow's stages theory can be categorized by order of importance and criticality from the perspective of a Third World country this stage, Precondition, would be immensely critical for many a developing country. For many of these countries were, at this point in their nation-hood, either in the middle of colonialism or emerging from it (gaining independence). And given the exploitative structure of that regime (colonialism), indigenous people viewed with extreme suspicion any activity or exercise that bore any semblance to "external influence imposition by more advanced countries" (Thirlwall, 1994, 63). For these countries, it looked a mimickery of the kind of external invasion (occupation), not unakin to colonialism and its exploitative consequences. It is not surprising therefore, that for most of these developing countries, this critical transitory period between the traditional (feudal) stage and the pre-condition, witnessed a crisis of both focus and supremacy (control); one in which the competing interests - "new types of enterprising men... in private economy, in government..." and the new political elite and the new military cadre - " khaki - elite" held sway. The result is that for a country like Nigeria and some other countries with similar and constant military intervention experience, between the feudal stage (include colonial feudalism) and the take off stage, the military, another form of feudalism, which is perhaps a more pernicious specie, hijacked the development process, thus aborting the take off stage for what now seems like eternity, and elusive in realization. It would be precisely at the critical stage in their development process, if we accept Rostow's stages hypothesis, that coups d'etat occurred in countries such as Nigeria, Sudan, Ghana, Egypt, Uganda, Togo, etc.

However, Rostow's pre-condition stage tends to feature oil-producing Third World countries in a completely different category because of their "unusual sources". In other words, their peculiar resource circumstances or endowments afforded them the opportunity of following a "stages" course of development that was not sequentially orthodox. He notes that "... but some countries have imported large quantities of foreign capital (*from sale of crude oil and other natural resources*) for long periods, which undoubtedly contributed to creating the preconditions for take-off, without actually initiating take-off (Rostow, 1960, 39). Indeed Rostow believes that whatever the role of capital imports, the preconditions for take-off include an initial ability to mobilize domestic savings productively, as well as a structure which subsequently permits a high marginal rate of savings.

On the other hand, Rostow's take-off stage is, in a manner of speaking, a critical irreversible turning point, when opposition and resistance to steady growth are finally overcome. At this stage, progress and growth assume an institutional structure. Growth becomes self-sustaining, especially following the establishment of "leading growth factors" (1960, 7-9). [1] It is also a period when the scale of productive economic activity reaches a critical mass and produces changes which lead to a massive and progressive structural transformation in economics and societies of which they are a part, better viewed as changes in kind than merely in degree. According to some opinions, the most critical components for the take-off stage are all encompassing:

- A rise in the rate of productive investment say 5% or less to over 10% of national income (or net national product);
- The development of one or more substantial manufacturing sectors, with high rate of growth; and
- The existence or quick emergence of a political, social and institutional framework which exploits the impulses to expansion in the modern sector and the potential external economic effects of take-off and gives to growth an on - going character (Meier, 1984, 91).

"Drive to Maturity" and "The Age of Mass Consumption" are respectively Rostow's fourth and final stages. And although by classification, these are supposedly separate and distinct stages, my conjunctive treatment of both here make them no less so. My undifferentiated treatment of both stages in this section, though peculiar, is informed by their lack of perceptible substantial differences, especially from the perspective of a Third World country. Typically for most, if not all Third World countries, these concepts, Drive to Maturity and Mass Consumption, represent more or less an academic reference quotient that is as tentative as it is unreal. For most Third World countries, Drive to

Maturity is a tentative prospect, while the Age of Mass Consumption appears neither feasible nor realizable. Drive to maturity presupposes a fully developed economic structure striving towards maturity, a feature not trully characteristic of any Third World country. According to Thirlwall (1994, 63), "...the developing countries have no likelihood of reaching this stage (mass consumption) in the foreseeable future".

Notwithstanding, these stages have a common feature, namely economic growth as industrial and productivity technology accelerate to take on international significance, even as old industries level off. At these stages, the economy would have extended its range of modern technology into the more complex processes. In the final analysis, maturity is attained when a decidedly (original) industrial base begins to shift towards durable consumer goods and services, when new leading sectors replace old ones. In addition, maturity has features and implications that are not economic, but political. Maturity comes with a level of national attainment and confidence, a contagious sense of superior assertiveness, like those displayed by Germany under Bismarck and Russia under Stalin. According to Rostow (1960, 10), "Formally, we can define maturity as the stage in which an economy demonstrates the capacity to move beyond the original industries which powered its take off and to absorb and to apply efficiently over a very wide range of resources, if not the whole range, the most advanced fruits of (them) modern technology".

Furthermore, it is at this stage of maturity that fundamental political choices have to be made by society on the use to which greater wealth should be put, since every nation will presumably reach the stage of high mass consumption, whatever the balance of choice at the stage of maturity (Thirlwall, 1996, 63). Essentially therefore, the stage of high mass consumption would have been attained when "the leading sectors of the economy shifts towards durable consumer goods and services: a phase from which Americans are beginning to emerge; whose not unequivocal joys Western Europe and Japan are beginning energetically to probe; and with which Soviet society is engaged in an uneasy flirtation" (Rostow, 1960, 10).

PERSPECTIVE ON ROSTOW'S LINEAR STAGES WITHIN A REGIONAL CONTEXT

Most analysts have picked issues with the general thrust of Rostow's postulations (Kuzners, 1984; Cairncross, 1961). Besides, available data and results on the ground (in much of The Third World) seem to contradict his conclusions.

Firstly, Rostow, in postulating his stages theory and universalizing its application to all nations, (developed and developing countries), and finding within their disparate adherence and application the failure of most developing countries to attain economic development, ignores the socio-cultural, political and economic relativity of these countries; not to mention value-driven dynamics of prioritization in their development process. Indeed Kuzners is of the view that:

> "stage-making approaches are misleading when they succumb to a linear conception of history and imply that all economies tend to pass through the same series of stages. Although a particular sequence may correspond broadly to historical experience of some economies, no single sequence fits the history of all countries. To maintain that every economy always follow the same course of development with a common past and the same future is to overschematize the complex forces of development, and to give the sequence of stages a generality that is unwarranted" (1984, 93).

Secondly, one of the factors Rostow referred to as an impediment to development, is the relatively low level of capital formation in some of the developing countries: their inability to save and invest. Though these countries may have lacked the requisite accumulative capacity, the active participation of the Bretton Wood Institutions and other multi-lateral agencies in the fiscal and economic life of these countries early in their independent life, persuades a different conclusion. The strong suggestion here is that, were capital formation the major obstacle (without significant other factors) to development, to the extent that capital formation did not have to be endogenous to qualify and did not by its very meaning preclude loans and foreign aids, that should have been overcome. This is because many of these countries received very substantial foreign assistance, including loans from developed countries and Aid Agencies. Indeed over the past 50 years, rich nations have extended over $1 trillion in aids and assistance to poor (developing) countries. For example, in the immediate pre-and post independent periods, the British and French governments made substantial grants to many of their African colonies. Also significant in this sphere is the impact of US finance in South Korea, Pakistan, and Taiwan, which became a classic case of aid-assisted take-off (Lloyd G. Reynold, 1977, 268- 269; The Economist, June 26, 1999, 23-25). Nigeria is also a case in point. When shortly after independence in 1960 the country inaugurated its first National Development Plan (1962 - 1968), the government positively counted on grants and loans of upwards of 50 per cent from external sources to execute its development plans (Yusufu, 1996, 381). As a matter of fact, for the periods 1970-1974 (Second National Development Plan), the country negotiated loans, credits and grants to the tune of over $4,311 million, excluding technical assistance (Olatunde Ojo, 1985, 145-147).

Indeed, across sub-Saharan Africa, Nigeria's experience is a replicated case of similar, if not equal, access and opportunity to foreign- assisted capital formation. Apparently, all of the countries in the sub-region benefitted. According to Ayittey (1992, 281) "more than $300 billion in aids and various forms of credits and financial assistance have been pumped into Africa since the 1960s." That these countries, in the sub-region, with the possible exemption of South Africa, still failed miserably in their capital formation endeavours, inspite of, and hence unable to attain consistent levels of savings and investment, brings to focus another querry: Is the Third World countries' (especially sub-Sahara Africa) lack of meaningful development a case of "relatively low capital formation" or one of the dearth of skill and management--- - a case of relatively low human resource formation, compounded by a debilitating and inexplicably insensitive, inept and corrupt military leadership culture? Whatever the case, it is still premature to draw any conclusions at this point whether the latter is indeed the case. Suffice it to say that under Nigeria's second National Development Plan, for example, the need for manpower in general, and foreign technical assistance in particular, reached crisis proportions. The country could itself supply only a minute fraction of 49,210 senior level personnel and 140,000 intermediates it required for the implementation of its programmes in the mid 1970s. This compelled the federal military government to initiate various crash technical assistance programmes in the areas of Applied Sciences, Engineering, and Technology etc, to train Nigerians in the United States of America, Japan, Western Europe and the former Soviet Union. As a matter of fact, in 1978 alone, Nigeria spent $9.2 million for about 1000 students under the program in the United States alone (Ojo, 1985, 146).

Thirdly, the emergence of "one or more leading sectors" and the existence or emergence of "a political, social and institutional framework, which exploits the impulses to expand," (Rostow quoted in Thirlwall, 1996, 63) may well be the critical components in the Take-Off stage. However, the apparent lack of general applicability of these components, even where these "factors" exists, by Rostow's postulation, makes his conclusion arguable. For instance, he asserts that extensive railway construction before 1914 in Argentina, India and China, though qualified as the emergence of "lending growth factor" (Rostow 1960, 52-58), but failed to precipitate take-off, because full traditional society had not been attained. Which raises the question: at what point is full traditional society attained? What are the yardsticks for measuring such full attainment? Better still, are there some other variables to transitional development, unrelated to and unpredicated upon his (Rostow) linear stages, which was not considered? There is reason to think so. There is also reason to suggest that the antecedental bearings of the majority of the Third World countries have more to do with their failure than the lack of "full attainment".

For instance, if the construction of railways in these countries, an exercise that otherwise qualify as a "leading growth factor," with impetus to generate "the impulse to expand", by Rostow's hypothesis, failed to precipitate, or if you will, initiate "take-off" in these countries, it strongly suggests that his contention is of selective applicability or at best, limited relevance. It has failed therefore to address another related, and perhaps more crucial issue, namely that the more crucial requirement for "take-off", especially for a colony, which many of these countries were, was not only the availability of "leading growth factors", like the railways (since their development may not have been designed or intended as a growth engine, at least not deliberately positively), but also an understanding and appreciation of the original colonial intendment in the processing or provision of any "factor" at all in the colonies. The real question is whether this particular "factor" (railways) was deliberately intended to facilitate indigenous development? Or was it solely intended to facilitate or sustain colonial industrial development, by enabling the exportation of local primary (agricultural) products from the colonies, without necessarily precipitating development or increasing indigenous national savings and investment; but for its "trickle down" speculative possibilities?

The consensus amongst theorists (Kamarck 1967, 47-59; Richard Harris, 1975; Ismail-Sabri, 1980, 13-16; Ojo, 1985, 141-168; Ekekwe, 1985, 53-68; Anunobi, 1992, 83-101) is that the provision of any kind of infrastructure, including the railways, in any of the colonies must be seen in the larger context of their enabling quotient: for the smooth exportation of raw materials to the metropolis (the colonial home country). Ismail-Sabri for one, believes that even though the "colonial powers did develop some sectors of the colonial economies and some aspects of their life", they did so, solely to secure their own economic development interests. "Therefore, those sectors and aspects that received their concern and attracted their attention grew at tremendous pace in comparison with the other sectors and aspects, and became very linked to industries in the colonizing nations. The outcome has been distorted, extroverted and dependent societies" (1980, 14). According to him, Egypt built its first railway as early as the 1850s, because cotton had to be gathered from all over the country and carried to the port of Alexandria where it was shipped to Lancashire textile mills (1980, 14).

Finally, there is the general criticism of Rostow stages, especially by Kuznets (1965, 219), which seems to be representative of all the criticisms against (Rostow's) hypothesis. First, there is the difficulty of empirically testing the theory, which Rostow makes no attempt to do. For one thing, there is a general lack of quantitative evidence for the assertions made, and for another his description of the characteristics of some of the stages are not sufficiently specific to define the relevant empirical evidence, even if data were available (Thirlwall, 1994, 64). For example, Kuznets (1965, 219) argues that with respect to the Take-Off stage, it is difficult to comprehend what "a political, social and institutional framework, which exploits the impulses to expansion in the modern sector", means. He goes on: "it seems to me that Rostow... defines these social phenomena as a complex that produces the effect he wishes to explain and then treats this identification as if it were a meaningful identification" (1965, 219). Kuznet also questions the quantitative evidence that is available for testing Rostows hypothesis, especially the figures of investment and the incremental capital-output ratio during the take-off period in the countries studied. He opines: "unless I have completely misunderstood Professor Rostow's definition of take-off, and its statistical characteristics, I can only conclude that the available evidence lends no support to his suggestion" (1965, 219). In addition, Kuznet maintains that when it comes to the take-off stage, the lack of common experience typifying countries in relation to investment etc. "casts serious doubt on the validity of the definition of the take-off, as a general stage of modern economic growth, distinct from what Professor Rostow calls the precondition, or transition stage preceding it and the self-sustaining growth stage following it" (1965, 227). Furthermore, it is the contention of another critic, Cairncross, A.K. (1961), who seems to re-echo Kuznets, when he wonders what relevance "stages" when the various stages overlap.

Finally in his development of stages theories, Rostow may have disregarded the input or significance of what was evolving as a unique regional phenomenon, even as he noted "...new types of enterprising men...in private economy, in government..." and the impact of participation. The military institution became an active part of the process and participation, with peculiar value systems that profoundly affected what could otherwise have been a "natural" stages sequence.

THEORIES AND PATTERNS OF STRUCTURAL CHANGE

The structural change model is another in the development theories. But one that focuses on the mechanism by which underdeveloped Third World economies transform their domestic structures from heavy emphasis and dependency on the traditional subsistence agriculture to a more modern, more urbanized and more industrially diverse manufacturing and service economy. Professor Arthur Lewis [2], one of the leading authorities on the structural change approach proceeds from the assumption that an under-developed economy consist of two sectors, the so-called "two sector surplus labour" theoretical model, namely: a modern exchange sector, and an indigenous overpopulated subsistence sector. That is to say, within the subsistence sub-sector, there are unlimited supplies of labour, than the sub-sector needs or requires at the on-going subsistence wage rate; meaning that the marginal product of workers in the subsistence sector is equal to or below the subsistence or institutional wage level, so that a reduction in the number of workers would not lower the average (subsistence) product of labour and might even raise it (quoted in Thirlwall, 1994, 96-111).

In the context of a Third World country, it would mean that with rapid population growth and consequent surplus labour, whose only source of employment is agriculture (land), a point would be reached where a limited acreage, regardless of the amount of labour engaged, will produce the same amount of output, a feature akin to attaining optimum level and then reaching diminishing returns. At this point, labour from subsistence sector gets gradually transferred to the modern exchange sector. It is believed that the speed with which this expansion occurs is determined by the rate of industrial investment and capital accumulation in the modern sector. For this to occur, it is assumed that the level of wages in the urban industrial sector is constant and determined as a given premium over fixed average subsistence level of wages in the traditional agricultural sector. Lewis assumed that urban wages would have to be at least 30 percent higher than the average rural income to induce workers to migrate from their home areas (Todaro, 1989, 69).

However, Todaro (1989, 69-72) believes that the primary focus of the model is both on the process of labour transfer and on the growth of output and employment in the modern sector. And that both labour transfer and modern sector employment growth are brought about by output expansion in that sector. He is also of the opinion that the Lewis model of an underdeveloped economy essentially consists of two sectors. "...(1) a traditional, overpopulated rural subsistence sector characterized by zero marginal labour productivity - a situation that permits Lewis to classify this labour as 'surplus', in the sense that it can be withdrawn from the agricultural sector without any loss of output - and (2) a high-productivity, modern urban industrial sector into which labour from the subsistence sector is gradually transferred..."(1989, 72)

In contrast to the Lewis model of structural change, patterns of development focuses on the sequential processes through which the economic, industrial and institutional structure of an under-developed economy is transformed over time, to permit new industries to replace traditional agriculture as the engine of economic growth (Todaro, 1989, 73). However, although increased savings and investment are thought to be necessary conditions for economic growth, according to this school of thought, that in and of itself, is not sufficient. Rather capital accumulation, both human and physical must complement a set of interrelated positive changes in the economic structure of a country for that to occur. These structural changes must involve virtually all economic elements, including the transformation of production, and changes in the composition of consumer demand, international trade and resource use, as well socio-economic factors, such as urbanization, growth and the distribution of a country's population (Todaro, 1989, 74).

Like Lewis in the Structural Change Model, the Patterns of Development Model featured empirical analysts like Hollis Chenery who, with his colleagues, examined patterns of development for numerous Third World countries during post-war periods 1950 to 1973. In their study of the transformation of the structure of production in selected developing countries, using time-series and cross-sectional analysis, Chenery and his colleagues concluded that as per capita incomes rise, there is a shift from agricultural production to industrial production. The major hypothesis of structural change model is that development is an identifiable process of growth and change whose main features are similar in all countries (Todaro, 1989, 77).

The model recognized however, that differences can arise among countries in the pace and exact pattern of development, depending on their particular set of factors and circumstances: resource endowment and size, its government policies and objectives, the availability of external capital and technology, and the international trade environment; provided that the "correct" mix of economic policies are in place to generate beneficial patterns of self-sustaining growth.

Todaro (1989, 78) concludes that:

> "Empirical studies of the process of structural change lead to the conclusion that the pace and pattern of development can vary according to both domestic and international factors, many of which lie outside the control of an individual

developing nation. Yet, despite this variation, structural-change economists argue that one can identify certain patterns occurring in almost all countries during the development process. And these...may be affected by the choice of development policies pursued by the LDC governments as well as the international trade and foreign assistance policies of developed nations".

PERSPECTIVE ON THEORIES AND PATTERNS OF STRUCTURAL CHANGE

The structural model thesis as propounded by Professor Lewis makes some implicit assumptions, prominent among which are: 1. That the rate of labour transfer, from the agricultural sector, and the subsequent employment creation in the modern sector is proportional to the rate of capital accumulation; and 2. That the faster the rates of capital accumulation, the higher the growth rate of the modern sector, and the faster the rate of new job creation. The fact of the matter, however, is that the experiences of most developing countries are not consistent with his migration pattern analysis. Migration patterns--- rural to urban areas--- in the majority of developing countries are not merely a function of "two sector surplus labour" theory, rather the result of social and other locally extenuating circumstances, including bad government policies. For most of these countries, available statistics show that migration is rather a precipitous and desperate reaction of the rural poor to unemployment and the development neglect by national economic planners. Consequently they migrate to seek employment in the urban areas. Writing on' "Income, Expectations, Rural-Urban Migration and Employment in Africa", Todaro (1971, 391-395) determined, among other things, that the more relevant reason for rural-urban migration is the combination and interaction of two variables, the urban-rural income differential and the probability of securing an urban job, which determine the rate and magnitude of rural-urban migration in tropical Africa.

According to Nnoli (1980), rural-urban migration in Nigeria was partly caused by the desire of able-bodied rural dwellers to move into the cities in search of better economic opportunities. This was especially the case because virtually all economic development policy considerations were almost exclusively limited to the urban areas; and by the 1970s, rural living had gone beyond such indescribably horrible levels and rural migration verging on chaotic exodus, as to attract the attention of a hitherto unresponsive Federal Military Government. As a matter of fact, Dupe Olatunbosun, in his study of the plight of rural dwellers and their perennial neglect, estimates that Nigeria's rural dwellers contribute more than 50 per cent of the current revenue of state governments and yet only about 20 per cent of the government total expenditure between 1960 and 1974 found its way back among them (1975, 22). The state of neglect was so total and impacting as to attract government's attention. As a matter of fact, the Guideline for the Fourth Development Plan (1981-1985) regarded it as critical, while strongly recommending a policy change to "a sustained effort to raise agricultural productivity and provide human needs such as hygienic water supply, health facilities, access roads, electricity and other amenities; noting also that rural migration can only be contained/checked by bringing health to the economic life of the rural areas. As Lewis himself will note in his "Reflections on Nigeria's Economic Growth" (1967, 42), wage differentials, as opposed to sequential growth in the agricultural sector appears to be responsible for much of the migration to the urban areas, "...urban wages are typically at levels twice as high as the average farm incomes. Between 1950 and 1963, prices received by farmers through Marketing Boards in Southern Nigeria fell by 25 per cent while at the same time, the minimum wage scales of the Federal Government increased by 200 per cent".

Furthermore, it is hard to hold that migrations were induced by "at least 30% higher than average rural income" (Todaro, 1989, 69). At least for Nigeria, the productive urban employment did not exist in any absorptive or significant quantity as to constitute an attractive incentive. On the contrary, the spectre was one of a growing large number of urban unemployed, who were otherwise engaged in such unorthodox endeavours like armed robbery, and other criminal activities. In his study, "Public Policy and Rural Urban Distribution of Income in Nigeria", Willie Okowa (1985, 72-73) observed thus: "...unemployment was largely an urban phenomenon and rural-urban migration a major cause of the problem. In fact, a situation now exists in most developing countries in which surplus labour in the urban areas co-exist with shortages in the rural. It is estimated that under 50 per cent of Nigeria's cultivable land is actually put to use".

It is debatable whether the military governments' policies positively or negatively impacted migration patterns, and if indeed such policies in any way help to support or debunk patterns of structural change hypothesis.

THE INTERNATIONAL-DEPENDENCE REVOLUTION (IDR)

This school of thought is particularly persuaded that the statistical averages that the structural-change economists calculate from a diverse range of rich and poor countries are not only of limited practical value in identifying the critical factors in a particular nation's development processes but, more importantly, that they divert attention from the real factors in the global economy that maintain and perpetuate the poverty of Third World nations (Todaro, 1989, 78).

The emergence of International Dependence Revolution (IDR) school of thought may be described as the cumulative despondency point for much of the Third World economic development theorists, grappling as it were, with issues of third world underdevelopment and hopeless dependency, and not finding within the varied and competing, if sometimes contradictory, available theories (thesis) a plausible explanation for what seems an intractable regional economic persistence. Within the IDR are three major theories (models): Neo-colonial Dependence Model (NDM); False Paradigm Model (FPM); and Dualistic Development Thesis (DDT)..

NDM conjures up a pattern of dependency that historically, or perhaps colonially engineered an international capitalist system that was not created or intended to be equitable. According to this thinking, it is a system that decisively created over-bearing rich countries and haplessly dependent poor countries. Whether because rich nations are internationally exploitative or unintentionally neglectful, the co-existence of rich and poor nations in an international system dominated by such unequal power relationships between the center (the developed countries) and the periphery (the Third World) renders the attempt by poor nations to be self-reliant and independent in their development efforts difficult and sometimes even impossible (Todaro 1989, 79). The contention also is that these countries efforts at development are hampered by the collaborative dubiousity of a "perpetually indebted" elite within these countries.[3] Directly and indirectly, they serve (are dominated by) and are rewarded by (dependent on) special international power groups, including multi-national corporations, national bilateral aid agencies and multilateral assistance organizations, like the World Bank or the International Monetary Fund (IMF), which are tied by allegiance and/or funding to the wealthy capitalist countries (Todaro, 1989, 79). Perhaps Paul Baran (in Gerald M. Meier, 1984, 139) gave the most unflattering perspective to the dependency "rationale" when he said. "...What is decisive is that economic development in underdeveloped countries is profoundly inimical to the dominant interests in the advanced capitalist countries" and therefore in the latter's interest to be deliberately exploitative.

Unlike the linear stages and structural changes theories, which stress internal constraints, such as insufficient savings and investment or lack of education and skills, the NDM contends that underdeveloped is externally induced. This view of under-development is the thrust of the argument for many a proponent (Baran, 1975; Colin Leys, 1975; B. J. Cohen, 1973; Theotonio Dos Santos, 1969). Dan Santos aptly represented the collective view when he posited:

> "Underdevelopment, far from constituting a state of backwardness prior to capitalism, is rather a consequence and a particular form of capitalist development known as dependent capitalism...dependence is a conditioning situation in which the economies of one group of countries are conditioned by the development and expansion of others. A relationship of inter-dependence between two or more economies and the worldtrading system becomes a dependent relationship when some countries can expand through self-impulsion while others, being in a dependent position, can only expand as a reflection of the expansion of the dominant countries, which may have positive or negative effects on their immediate development. In either case, the basic situation of dependence causes these countries to be both backward and exploited. Dominant countries are endowed with technological, commercial, capital and socio-political predominance over dependent countries - the form of this predominance varying according to the particular historical moment - and can therefore exploit them, and extract part of the locally produced surplus. Dependence, then, is based upon an international division of labour which allows industrial development to take place in some countries while restricting it in others, whose growth is conditioned by and subjected to the power centers of the world" (Dos Santo, 1969 quoted in Todaro, 1989, 79-80).

A similarly expressed papal sentiment is as elucidating, even if morally couched: "One must denounce the existence of economic, financial, and social mechanisms which although they are manipulated by people, often function almost automatically, thus accentuating the situation of wealth for some and poverty for the rest. These mechanisms, which are maneuvered directly or indirectly by the more developed countries, by their very functioning, favour the interests of the people manipulating them. But in the end they suffocate or condition the economies of the less developed countries" (Pope John Paul II, 1988 quoted in Todaro, 1989, 80). Creative dependency *per excellence* appears to be the recurring decimal, so to speak of NDM.

FPM, on the other hand, attributes Third World underdevelopment to faulty and inappropriate advice provided by seemingly well-meaning, but often uninformed, biased and ethnocentric international "expert" advisors from developed countries' assistant agencies and multinational donor organizations. Some of these "experts" who, in most parts have not travelled to the countries of their "expert" experience, offer sophisticated concepts, elegant theoretical structures that relate little, if any, to the peculiar economic conditions or circumstance of these countries. This school of thought further contends that this blend of neo-classical economic beliefs and philosophy thinly veiled as panacea, lead to inappropriate or incorrect policy recommendations, further exacerbating the state of underdevelopment within these countries.

Furthermore, according to this argument, aiding in the implementation of this "faulty and inappropriate advice" is a disproportionate number of policy-makers in government and the academia in these Third World countries who are products of the developed countries' institutions of higher learning and agencies (Glen Biglaiser, 1999, 7-8). In a manner of speaking, they a little more than molded reproductions of their training and intellectual pseudo-assimilation, who essentially and rather uncritically regurgitate as it were, their western schooling and training, without relating policies to particular regional conditions or circumstances (Ross Hammond and Lisa McGowan

1994, 78-82). The experiences of Nigeria, Mexico and Indonesia help illustrate the point of apparent uncritical formulation and implementation. The former Finance Minister of Nigeria, Dr. Kalu Idika Kalu, who was a former employee of the IMF, vehemently opposed and subsequently imposed upon the public debate that was originally initiated to evaluate national sensitivities and support on whether or not to accept proposed IMF loan conditionalities, including the structural adjustment program attached to it. The Minister demonstrated his preoccupation and sense of impatience with this legitimate debate in one of his many public comments, when he insisted that the question was not whether Nigeria should take the IMF loan and its accompanying conditionality, but whether it can afford not to do so (Nigerian Guardian, 1985, 1,3,5, & 8). This implied that the public debate was an exercise in futility. Another case in point was Mexico under President Carlos Salinas de Gortari, who is currently living in self-imposed exile in Ireland, after the precipitous collapse of the peso, on the heals of his leaving the presidency. Ex-president Salinas is a Harvard-trained economist who was said to have proceeded to implement, to the letter, the recommendations and/or conditionalities of the IMF, and their unrestrained free market gospel, only to watch the peso and the Mexican peso and economy plummet. The peso reached an all time low during the periods late 1996 and 1997. (Wall Street Journal, November 18, 1996, February 19, 1997).

DDT, as the last of the three IDR theories, refers in the main, to the economic and social divisions in an economy or any economic system. In the words of Todaro (1989, 81), "implicit in the structural change theories and explicit in the international dependence theories is the notion of a world of dual societies-of rich nations and poor nations, and in the developing countries, pockets of wealth within broad areas of poverty". It is a world of dual societies, inhabited by poor and rich countries, and of poor individuals and rich ones within the same society. In his description, Debraj Ray (1998, 353-354), believes that it is the necessary co-existence of the traditional and the modern, and with it a level of interpretational variability. "In a sentence, dualism is the co-existence of 'traditional' and 'modern' where the words in quotes can have different shades of meaning. The traditional sector is often equated to the agricultural sector, which after all, produces the traditional output of all societies ...The modern sector is the industrial sector, which produces manufactured commodities".

Although Thirlwall (1994, 128) and Ray (1998, 353-354) agree that "dualism" is susceptible to varying definitions and interpretations, Thirlwall nonetheless emphasized the differences in the degree of geographic development, as well as social customs and attitudes between an indigenous and "an imported" social system. In its peculiarity "dualism" is said to embrace four key elements:

1. Different sets of condition of which some are "superior" and others "inferior", co-existing in a given space;
2. The co-existence is not transitory but chronic;
3. The degree of "inferiority" or "superiority" have an inherent tendency to increase; and
4. Their relationships are inconsequential such that the existence of superior elements does little or nothing to pull the inferior element, let alone "trikle down" to it. In fact, it may actually serve to push it down to "develop its underdevelopment" (Todaro, 1989, 81).

In the final analysis "Dualism" is the *raison d'etre* for the different and unequal economic development levels, whereby the developed industrial worlds' "superior" condition and the Third World "inferior" condition co-exist. There appears to be a presumption of regularity or "naturalness" to this dualistic feature, as an expression of some sort of "natural phenomenon", in the varying evolutionary time space of any country. The perception of settled "natural phenomenon" of dualism, the international co-existence of rich and poor countries, which continues to show disparate and alarming gaps, should be cause to wonder whether there can ever be sufficient economic growth and development in the Third World countries to rectify this ever-widening gap. In other words, is there ever the possibility of a "catch-up"? Part of the exploratory evaluation here is to determine whether military governments and their policy thrust or preoccupation have made the process any easier or much more difficult.

PERSPECTIVE ON INTERNATIONAL DEPENDENCY REVOLUTION

Whatever their ideological differences, it would appear that the advocates of NDM, FPM and DDT reject the exclusive emphasis on traditional western economic theories, designed to accelerate the growth of GNP, as the principle index of development (Todaro, 1989, 82). They question the validity of the Lewis-type, two-sector models of modernization and industrialization in the light of their questionable assumptions and recent Third World history. Just as they reject the claims made by Chenery and others that there exist well-defined empirical patterns of development that should be pursued by most countries on the periphery of the world economy. They place more emphasis on international power imbalances and on needed fundamental economic, political, and institutional reforms, both domestic and worldwide.

As is perhaps predictable, the Bretton Woods Institutions seem to represent, in their view all that is inequitable in international economic order. They argue that the institutions, [4] which were conceived, in the main, as institutional mechanisms for stabilizing the world's financial uncertainties and assisting member-nations in their development endeavours have turned out, in prevailing dispensation, almost exclusively to be agencies for managing Third World financial woes and economic vicissitudes; and indeed pre-eminent "reservoirs" of international "expert economic advisers" for resolving their economic problems. How well the institutions have performed in their assigned (or assumed) responsibilities is the subject of endless public debate, as they are often accused of insensitivity, as well as ideological and anti-Third world development biases.[5] Firstly, it is contended that the IMF in advising Third World countries, especially the military dictator governments (Sudan, Zaire, Ghana, Somalia, Liberia and Nigeria) on, say issues of structural adjustment, or perhaps balance of payment positions, have employed approaches that are purely a function of their preconceptions, beliefs and philosophy, founded largely on prevailing orthodoxy of neo-classical theory, "one that prefers capitalism to socialism; one that favours private investment over pubic investment, which extols the virtues of free trade and the operation of price mechanisms, and which encourages the free flow of private capital to and from developing countries by persuading them to remove controls over foreign exchange and imports and even making them a condition for (international) assistance, while the rich countries continue to impose restrictions against imports of goods from developing countries" (Thirlwall, 1994, 403-405). Indeed a process of indiscriminate general prescription. As Helen B. Nankani (1990, 43-45) postulates, this one-size-fits-all kind of approach, no doubt compromises objectivity, as well as cast doubts as to the appropriateness of the some of the recommendations.

Finally, there is the contention as to whether the Bretton Wood institutions are in the business of monetary and economic development assistance for needy member countries or are they "the certified debt collector" for the developed world. Part of the contention here is that during the 1980s for example, the IMF used debt negotiations as a guise to compel the Third World countries into implementing poorly-thought out, ill-suited, but particularly harrowing and economically debilitating, Structural Adjustment Programs (SAP) in their economies, as a condition-precedent for availing them of the Structural Adjustment Loans (SAL) facilities. Often times the SAP called for sweeping economic and social changes designed to channel virtually all of the country's resources and productivity into debt-servicing or repayment arrangements, even though ostensibly, they were intended to enhance trans-national trade and investment competitiveness. Tony Clark (1996, 301) notes "in order to obtain the foreign exchange to service their massive debts, developing countries were compelled to become export-oriented economies. Selling off natural resources and agricultural commodities on the global markets while rapidly increasing their dependency on the imports of goods and services". Economic crisis in Russia and Brazil in late 1998 and early 1999 seem to underscore some of the criticisms against the IMF. [6] It would appear that there is an undertaking, albeit unspoken, on the part of the Institution to the effect that it (IMF) would enable, indeed precipitate, any nation's debt enlargement, notwithstanding its original precarious status, provided that the new enablement is expended on servicing and possibly redeeming foreign investment and perhaps encourage inevitable capital flights. The question is whether this policy and process, seemingly so ideologically structured and implemented, have larger and far-reaching Third World development ramifications?

NEO-CLASSICAL COUNTER- REVOLUTION THEORY

The neo-classical counter - revolution theory of development was part of the emergence of a conservative, supply - side, free market proponents (ideologues) who came to dominate the political landscape in most of the industrial world between the late 1970s and into the 1980s. It was the periods of Presidents Ronald Reagan/George Bush (USA); Prime Ministers Margaret Thatcher/John Major (UK); Presidents Helmut Schmidt/Helmut Kohl (Germany); and Presidents Valery Giscard d'Estaing/Francois Mitterrand (France). The central argument of the neo-classical counter - revolution is that underdevelopment results from poor resource allocation due to incorrect pricing policies and too much state intervention by overly active Third World governments, the majority of whom are military governments in SSA. This position is also supported by some leading writers of the counter-revolution school, who argue that it is this unrestrained disposition at state intervention in economic activity that slows down the pace of economic growth thus adversely impacting development (Peter T. Bauer, 1984; Deepak Lal, 1985; Ian Little, 1982).

Contrary to the claims of the dependence theorists, the neo- classical counter-revolution school argue that the Third World is under- developed not because of the predatory activities of the developed World and international agencies it controls, but rather because of the heavy hand of the state meddling, corruption, inefficiency and a general lack of economic incentives that permeate the economies of developing countries. What is needed, they contend, is not a reform of the international economic system or increase in foreign aid. But the evolution, within the Third World, a combination of policies, including restructuring of dualistic economies of developing economies and more effective planning, especially an attempt to make population explosion more in line with growth. Furthermore, they contend that promoting free markets and the *laissez-faire* economics within the context of permissive governments would allow the "magic of the market place" and the "invisible hand" of market prices to guide resource allocation and stimulate economic development" (Todaro, 1989, 83).

PERSPECTIVE ON NEO-CLASSICAL COUNTER-REVOLUTION

Like the dependency revolution of the 1970s, the neo-classical counter-revolution of the 1980s had its origin in an economics *cum* ideological view of the Third World and its problems. It is perhaps arguable whether privatization and market deregulation - the central theme in the neo-classical counter-revolution argument - is not a (neo-classical) praesertrim and an elegant theoretical concept, which ought to apply discreetly and selectively to national economies at different levels and stages of development and growth. It is also questionable whether implementing privatization and absolute market deregulation in the Third World is feasible without a fundamental restructuring of the economic base of what essentially is, at the moment, an economic system flustering between, what at worst could be described as the precondition stage, and at best, the take-off stage (if we believe Rostow's Linear stages). The critical issue is that at either of these stages, the social, economic, political and legal infrastructure that can support and sustain privatization strictly so-called, the focal theme of the counter- revolution school, are not even in place. The problem, according to Toadaro (1989, 84), is that many Third World economies are so different in structure and organization from their Western counterparts that the behavioural assumptions and policy precepts of traditional neo-classical theory are sometimes questionable and often incorrect.

The other general assumption on privatization may not hold true for most Third World countries as well, especially in Sub-Saharan Africa. It would appear that privatization is founded on, among other things, the premise that it would encourage citizens' investment participation and private property ownership. Obviously, implementing divestiture for the benefit of the shareholders and stakeholders, which contemplates a meaningful indigenous equitable participation presupposes a solvent indigenous population with financial capacity to participate and invest. Unfortunately the state of individual financial well-being in most Third World countries, especially in sub-Saharan Africa, where years of profligate military governments have certainly guaranteed a failure of meaningful indigenous participation; in a sense not truly and reassuringly reflective of free and genuine public participation (Africa Economic Report, 1998; World Bank Report, 1998, World Bank Report 1999).

Furthermore, being at the very early stages of their development, Third World countries desperately need the critical role of and participation by government in their development process. But certainly not one of a corrupt military dictatorship much more preoccupied with mismanagement and military-related policy preferences. The growth and development of national economies might very well be dependent on markets. However, the role and participation of government would very much guarantee success, especially in establishing the enabling environment. The experiences of the United States of America and emerging Asia are very instructive (Stiglitz, 1996, 13-15; Alvin G. Wint, 1998, 281-284). Indeed the nebulous and uncertain nature of unrestrained free trade is not lost to the United States that it effectively introduced restraining and qualifying legislation to regulate its impact on the domestic economy. For example Section 201 of the Trade Act 1974, the so-called "Escape Clause" allows US regulators to intervene when increased import causes "serious injury" to domestic industry. Also Section 731 of Title VII of The Tarriffs Act of 1930 allows the US to determine what it may absolutely discretionarily consider, "unfair" trade practices, like "dumping" and "subsidies" (Anant K. Sundaran and J. Stewart Black, 1995, 81-83).

Finally, it is argued to be misleading to canvass such ideals as "free market economy" and "price distortions in factor, product, and financial markets", since it is doubtful whether there are any phenomenon strictly so-called.[7] The point being made is that even in most developed countries like the US and UK, certain basic services are "determined" so fundamentally inalienable for the overall public good and national economic interest and viability that they are still subsidized by the government (The Wall Street Journal, March 11, 1999, A22; The Economist, April 24, 1999, 56; David C. Korten, 1996, 191). Indeed, according to Michael Porter (1990, 639-640) "...subsidized capital, subsidized research and development, subsidized raw materials, subsidized exports and direct grants are employed by nearly every nation..."

CONCLUSION:

DEVELOPMENT AND THE MILITARY INSTITUTION IN NIGERIA

The nebulous and normative meaning of "development" in conceptual and theoretical usages within a larger definitional scope carries over to an institutionally localized context. In this case a region (Africa) and institution (the military). And even in an attempted definitional application of all the different meanings of development postulated by the different schools of thought--- from Rostow's (Linear) Stages, to Theories and Patterns of Structural Change, to the International Dependency Revolution, to Neo-Classical Counter Revolution --- none has adequately or convincingly, not to mention uncontentiously, explained what is responsible for underdevelopment (for which there seems across the board consensus that they exists), and remedies for alleviation and possible eradication (for which there is vehement lack of consensus for approaches to relief).

These schools of thought who have attempted definitional meaning, scope and process, but failed to achieve consensus highlights the very presumptive disposition of all the theorerizing schools. This lack of consensus could be ascribed to a number of factors, prominent among which are, generalized application of inapplicable peculiar variables (Rostow and Lewis), ideological pollution of the process analysis (the International Dependency and Neo-Classical Counter-Revolution), as well as shifting focus, emphasis and interests. And perhaps more importantly is the failure to specifically identify and evaluate a very unique institution, one that has tremendously affected all facets of human development in SSA, including Nigeria.

As a matter of fact to unqualifyingly employ the peculiar experiences of the developed industrial world, who evolved at a different time and space, and definitely in completely different set of circumstances, in explaining development processes is to be overly simplistic in the evaluation of a phenomenon as complex, and intricate as the elements and processes of development. It is even more so when consideration is given to the fact that the exercise itself carries with it unquantifiable levels of political and socio-cultural idiosyncrasies (T.W. Hutchinson, 1964, 64-86; Todaro, 1989; Thirlwall, 1994).

Indeed Kuzners (1984, 93) bemoans what he considers unwarranted generalization "...Although a particular sequence may correspond broadly to historical experiences of some economies, no single sequence fits the history of all countries. To maintain that every economy always follows the same course of development with a common past and the same future is to overschematize the complex forces of development..." And certainly not when their degrees of complexity and intensity are time and events related, given the fact that the poor countries stand in a different relationship to rich countries than was true when the developed countries were poor (Meier, 1984, 105).

To contend that development can be speeded up by the international system (according to Neo-Classical Counter-Revolution), and at the same time that under-development is caused by it, (according to International Dependency Revolution) is to truely capture the contentious predispositions of the two ideologically-tainted development theories. Their near-absolute, mutually indignant sense of righteous articulation portrays the Third World in turns as victims and villains. The only point of agreement between the two schools of thought is that there is lack of development. But the reason(s) for such state of affairs continue to elicit extremely divergent opinions. The Dependency School believes that lack of development is mainly due to manipulative oppression, ethnocentric misadvise and dubious dualism. For the Neo-Classical School, the reasons are more rooted in lack of privatization, corruption, mismanagement and lack of sensitivity on the part of Third World policy markers.

Inspite of all of these, it is significant that there is consensus to the notion of dominant under-development, and perhaps particularly less important that there is disagreement for their cause. Although it would have helped to determine definitive common causes(s) with a view to finding helpful and universally workable remedial measures, since a situation can only be meaningfully remedied after a full appreciation of its root cause(s). But then the military factor is an indeterminate one. However, the cause(s) of under-development can hardly be attributable to any one particular cause, of the myriad postulations advocated by the different schools, within these competing thesis lie some elements of the causes of underdevelopment; some major, some minor, but all of which together constitute "the problem" to be focused on in the attempt to bring about development/change.

It is therefore important to address in the light of all of the above, not just accepted notions, as conceived and propagated by the developed world in the relativity of a usage peculiar to their condition and circumstances, but also the real impact or meaning of underdevelopment for the Third World, one that is expressed in the complete and total absence of well-being - economic, social and political. It is a notion expressed by Robert McNamara as absolute poverty: "a condition of life so characterized by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality and low expectancy as to be beneath any reasonable definition of human decency". (William H. Shaw and Vincent Barry, 1994, 124). When it therefore comes to the question of the meaning and or definition of development most relevant to a sub-region, particularly Nigeria, dominated in the last three decades by the military, it is perhaps as definitive to re-echo, Seers in his categorical inquisition: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? And according to him, if all three of these have declined from high levels, then beyond doubt, it has been a period of development for the country concerned. If in any case one or two of these central problems have been growing worse, especially if all three have, he believes it would be strange to call the result "development", even if per capita income doubled (1963, 3). It is hoped that my full subsequent evaluation of military performance in government will throw some light in this area. The significance of Seers postulation is mirrored in Todaro contention that: "There are a number of developing countries that experienced relatively high rates of growth of per capita income during the 1960s and 1970s but that showed little or no improvement or even an actual decline in employment, equality and real incomes of the bottom 40% of their populations. By the earlier `growth` definition, these countries were `developing`. By the more recent poverty, equality and employment criteria, they were not" (1989, 87-88).

Most Third World countries, including Nigeria fall into this category. According to the African Economic Report (1998, 12), "... slightly more than 350 million people (more than half the population of SSA) continue to live in poverty. Malnutrition and hunger, disease, ill health and lack of shelter are widespread. A sizable number of adults Africans are not productively employed as such, they are unable to meet their basic needs...Access to social services, particularly education and health continues to be a reason for concern, while the employment situation remains precarious". The Report goes further "... according to current estimates, close to 50 per cent of the population live in absolute poverty. This percentage is expected to increase at the beginning of the new millennium" (AER, 1998, 16). With reference to Nigeria, the social and economic situation is no less grim. For Nigerians are on average, poorer today than they were in 1974 (the military have been in government for 21 years of the 24 years of the relevant period). Income in 1999 was US$345 per capita, less than a third its level at the height of the oil boom in 1980, and well below the average for developing countries. More than half the population lives in absolute poverty, life expectancy is only 52. And infant mortality rate as high as 84 per 1000 live births (IMF, 1999). As a matter of fact, as early as 1996 the United Nations Human Development Report ranked Nigeria 141 out of 174 of the world's poorest nations. At the inauguration of his cabinet ministers, the last military Head of State of Nigeria, General Abdulsalami Abubakar, had this to say by way of admonishing his would-be cabinet ministers "...every human welfare and development index measuring the well-being of our people show is on the decline...Currently, we are the world's 13th poorest nation. Given our resource endowments this sorry state is a serious indictment" (The Economist, August 29th 1998, 45-46). For a country that has generated/received more than US$280 billion in oil revenue since early 1970s (about the period the military emerged and proceeded to last over 30 years of the country's 39 years independent history) through 1999, with nothing to show for it either in poverty alleviation nor significant economic development, General Abubakar's admonition was more than a classical understatement. His patent understatement belies a much more fundamental admission, namely that by whatever rudimentary measure, evaluation or definition, even by what appears to be a wayward military institutional standard, the country could have done better.

It follows that for a Third World country, including Nigeria, the priority should be one of moving from the current chronic state of underdevelopment, embodied in these mind-boggling poverty statistics, to one of alleviation, which seeks a level improvement in people's living standards, and which according to Todaro "...must, therefore, be conceived as a multi-dimensional process involving major changes in social structures, popular attitudes, and national institutions, as well as the acceleration of economic growth, the reduction in inequality, and the eradication of absolute poverty" (1989, 88).

ENDNOTES

1. It would appear that Rostow used the phrase "leading growth factors" to mean the sector or sectors which are crucial to the development of the economy. These sectors have varied from country to country. From railways to textiles (UK), Timber (Sweden) and Grains (USA)

2. See The Economist, June 17, 2000 on Aid-tying. Even though some of these loans and assistance come encumbered. The fact of the matter is that these come with strings attached. Nonetheless, the general view of the matter is that even though they come with strings attached, these facilities and their cumulative effect is one of material and capital accumulation in the enablement of capital formation.

3. See Professor Lewis' "Economic Development with Unlimited Supply of Labour" quoted in Thirlwall (1994, 1996). See also W.W. Rostow, "Theorists of Economic Growth From David Hume to the Present: With a Perspective on the Next Century", (1990, 392-399).

4. The group in most developing countries, which cover a broad spectrum (landlord, entrepreneurs, military rulers, senior public servants and trade union leaders) enjoy high incomes, social status and political power. They also wittingly or unwittingly have vested interest in the perpetuation of the international capitalist system of inequality and conformity through which and by which they are rewarded.

5. The sense, one might contend, is that although the usages "world" and "member countries" give the impression of a representative world body, it is arguable whether in their original usage and intendment these wordings contemplated today's dominant "clients" of the institutions-The Third World. For many of these countries were either dependent colonies (of original member countries) or did not satisfy the protocol or meet the requirements for admission or membership. Although these countries have come to be the institutions' primary and abiding current focus, it is doubtful whether their particular or futuristic needs were adequately taking into consideration at inception of the Bretton Wood institutions. See also Fredoline Anunobi (1992), "The Implications of Conditionalities: The IMF and Africa", University Press of America, 149-168.

6. See The Wall Street Journal, June 4th, 1999, p. A 35. The Bank was advocating programs that have the effects of completely eliminating "safety nets", inspite of rising absolute poverty in Africa, Eastern Europe and Central Africa. See also Business Week, October 19th, 1998, pp 38-39.The IMF is accused of extreme insensitivity in the implementation of its market reforms in the Third World. See also Newsweek, May 25th, 1998, pp 44-48. The implementation of IMF-recommended increases raising the prices of gasoline by 71%, electricity by 50%, bus fares 66% and train fares by 100%. IMF had imposed these increases as part of a deal for a $40 billion international bailout for Indonesia. Needless to say, these led to riots and social upheavals that ultimately compelled the sacking of the

Suharto government after almost 30 years in office.

7. See Thirlwall (1994, 403-406). See especially the works of Reichmann and Stillson (1978), on the effects of IMF Programmes in both developed and developing countries during the period 1963-1972. See also the studies by Donavan (1982) and Killick Associates (1984). See Also Edward Goldsmith, "Developing as Colonialism" in Jerry Mander and Edward Goldsmith (eds) (1996): The Case Against Global Economy and For a Turn Towards the Local", Sierra Club Books, 253-266.

CHAPTER FOUR

MARKET AND ECONOMIC DEVELOPMERNT UNDER COLONIAL AND FIRST REPUBLIC GOVERNMENTS IN NIGERIA.

INTRODUCTION

Although the conceptualization of the usage "economic development" in the previous chapter greatly espoused the different competing opinions and theories as to the acceptable meaning and cause(s), one significant consensus emerged. That is to say, there is general agreement that development is about people and the creation of the kind of market and economic environment or infrastructure, albeit through different routes, that sustains a healthy standard of living; and which reasonably adequately provide the citizenry with human development basics like education, health, employment and other social welfare. This section attempts the contextual review of Nigeria in early colonial and post independent administration, by putting into proper perspective the historical sequences in the evolution of colonial, civilian and military regimes, and the thrust of development plans and policies formulated and implemented during the relevant period.

COUNTRY'S PERTINENT FEATURES

Nigeria, a former British colony, which gained independence on October 1, 1960, lies on approximately 923, 768 square kilometers (approx. 356,669 sq. miles) in sub-Saharan West Africa. The country is bordered on the east by Cameroon and on the west by Republic of Benin. Republics of Niger and Chad form part its northern fringes. While its southern boundaries are a massive expanse of the Atlantic Ocean stretching from the Cameroonean border on the east to that of the Republic of Benin on the west. Indeed, the country stretches from the lower Sahelian region, about 14^0 North latitude, to the rainy and humid tropics, about 4^0 North of the equator. Its vegetation is a mixture of near desert and Savannah grasslands in the northern part to the light and thick tropical forests and mangrove swamps between the middle belt and further south.

The soils are a rich productive mix of both agricultural cultivable land and mineral deposits. Cotton, groundnut, rubber, timber, palm produce and cocoa are part of its cash crops. And these accounted for 38 per cent of GDP in 1993 (but over 80 per cent of the country's export in the 1960s) Mineral oil accounts for more than 90 per cent of export earnings and up to 80 per cent of federal revenue. Large coal deposits as well as tin, lead, zinc ore and gold are available. Iron ore deposits feed the Niger Delta plant at Aladja and Ajaokuta.

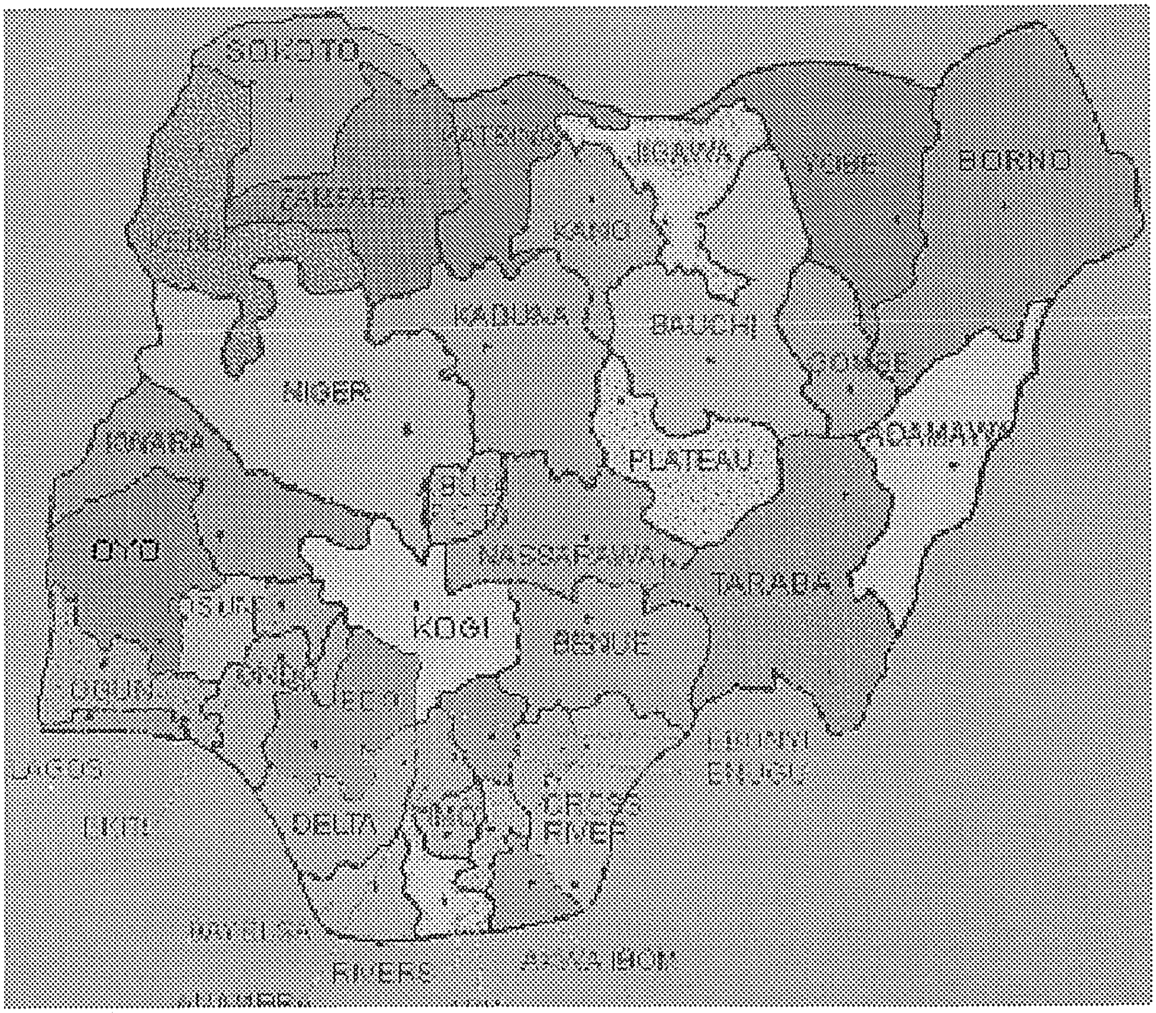
Agriculture was the economic mainstay of the country. Export earnings averaged 52.2per cent in the periods between 1958 and 1967 (Yusufu 1996, 92-101). Indeed for the country, agriculture produced both the food crops and cash crops, accounting for about 70 per cent of GDP in 1966, and agricultural export generating 73 per cent of export earnings in 1968.

The country, Nigeria, is the product of British amalgamation of its northern and southern protectorates in 1914 to form what was then referred to as the Colony and Protectorate of Nigeria. However, it was not until 1946 that the administration of the two territories were integrated under the Richardson constitution. The constitution created a federal structure, which allowed for an initial three regions. Although the country attained independence in 1960, it was not until 1963 did it adopt a Republican constition while still retaining membership of the Commonwealth (membership of independent countries of former British colonies/subjects).

At the time of independence, the country was a three-region entity (Figure 4.1)

Source: www.theodora.com

made up of the North, East and West. A Mid-West region would be carved out of the original Western region in 1963 following a referendum, to make the component regions four. The Hausa-Fulani tribe of the north, the Yoruba tribe in the west and the Igbo tribe in the east predominated the regions. Scattered amidst these dominant tribal groups are over 247 ethnic minority groups unethnically located in the North, East, West and Mid-West. The former federal capital, Lagos, which played a dual role as both capital city and commercial nerve center of the country, has since retained the later role, following the official establishment of a new federal capital city in Abuja in 1991. The new capital site is believed to be more centrally located, at least geographically. Today the country is a thirty-six-state entity from an original twelve created in 1967.1 (Figure 4.2)



Source: www.nigeria.com

Nigeria's last official census in 1991 which put the population at 88.5 million was as contentions as it was said to be inaccurate. Indeed census figures in Nigeria have always been a questionable proposition. The census figures in 1964 were so contentious, that it led to their cancellation. Nigeria's current estimated population figures, itself based on a dubious census exercise in 1963, is estimated at 96 million (1985), and 100.33 million (1987). If these numbers are to be believed, Nigeria would be, numerically speaking, the largest in Africa and 5th in the World (FOS/AAS 1986). Officially, the population grew at a constant 2.5 per cent per annum over the period 1963-1985 (FOS/AAS 1986). Using different projectional base figures, the World Bank projected the population to be 106.6 million in 1987 and growing at 3.1 per cent per annum. It is further projected that at current birth rates, the population would increase by 3.3 times in the next 28 years to 280 million by the year 2015 (WB, WDR 1989). The current estimate (2000) is 120 million (World Bank, 2000). The prospect of this projected population growth has made demographic issues within the context of social and economic development so urgent and critical. And yet the larger implicatory issues may never be realistically addressed in Nigeria, neither may the actual census figures be ascertained. Not as long as these figures are umblically tied to a very explosive, contentious and inherently divisive revenue allocation structure which makes individual state's federal resource-entitlement dependent on their respective population figures.

The discovery of oil and subsequent boom in oil revenue fatefully coincided with a number of significant developments: military takeover, and burgeoning petroleum wealth (Rimmer, 1978). In a paradoxical, perhaps pathetic twist of fateful coincidences, the emergence of the military on to the political scene and the boom in oil revenue marked the turning point for good or bad, in the economic development life of Nigeria. It would appear that increased oil revenue did not only create the impetus for recurrent military intervention, it also created and essentially enabled the extremely corruptive environment and structure that have become the hallmark of the Nigerian military in government. Ironically the country seems blessed by geography and geology but cursed by leadership.

THE PATERNALISTIC STATE: THE COLONIAL ECONOMIC LEGACY

According to some opinions, Britain's overriding interest in its colonies, including Nigeria was, at least until and during the Second World War (WW11) to develop, harness and exploit indigenous resources for the benefit of the metropolis. Cotton, groundnuts, rubber, and palm oil, tin and columbine, were of direct interest to British industries, and constituted the main target of the colonial government in Nigeria (Yusufu, 1996, 53; Abdalla Ismail-Sabri, 1980, 14). Prior to the outbreak of the Second World War in 1939 therefore, and right through to its terminal stages in 1944, the Nigerian economy was essentially a source of military commodities and a limited market for British manufacturers (Yusufu, 1996; Sara Berry and Carl Liedholm, 1970).

Under colonial rule therefore, Nigeria developed an agrarian export economy, organized first by private trading companies and later by the (colonial) state. The diverse export outputs were geographically differentiated, even as there was centralized export terminal. The primary export commodities --- Cocoa and Rubber (West), Palm Produce (East), Groundnuts, Cotton, Tin, and Columbine (North)--- created their own regional economic and ethnic political impetus. The collateral impact was that the export earnings did provide an early and indispensable source of revenue for the Regional governments and the political elites, who led the country through independence. And these commodities remained a primary component of state resources through the mid-1960s and the emergence of oil (Tims Wouter, 1974, 174; Cliff Edogun, 1985, 89-112)

Significantly, colonial property laws (which may not be unconnected with the larger state of colonial power rivalry in the sub-region, especially between the French and the British) prevented the alienation of land by foreign residents, even for the purposes of competitive investment activities. This state of affairs was thus different from the colonial agrarian economies of British settlers in the East African colonies (Douglas Rimmer, 1978, 145). Perhaps in contrast with agricultural development in many other Africa colonies, Nigerian exports were neither produced by European settlers on commercial firms nor coerced from the peasant population through taxation or mandate. Rather, and perhaps detrimental in the long run, in terms of the then prevalence of uncompetitive pricing Commodities Marking Board regimes, relative market inducements fostered the steadily increasing production of primary commodities by dispersed small-holder cultivators who were nonetheless paid a pre-determined commodity price, irrespective of prevailing international market rate (Gerald K. Helleiner, 1966; Eme N. Ekekwe, 1985, 53-70; Malcolm D. Bale, 1985). And given the bias in government expenditure, the policy of keeping producer prices low to generate government revenue was obviously a huge transfer from rural to urban groups. And apart from the distributional effect, the tax caused allocative losses, both among sectors and within the agricultural sector; with farmers feeling more inclined to switch to crops not controlled by the marketing boards. Even then, commercialization was not sufficiently robust and integrated as to bring with it any drastic transformation in agricultural production, neither did it meaningfully impact the living standard of the rural people.

The colonial governments' efforts directed at ensuring law and order and maintaining colonial administration, also made possible the development of a modern economic structure, as well as the maintenance of a primary agricultural economy. It is noteworthy however, that the modern Nigerian economy developed mainly under private aegis. Manufacturing scarcely existed, limited as they were, to small soap factories and palm oil mills in the East, saw mills and rubber processing in the West, and abattoirs and cotton ginneries in the North (Robin Cohen, 1974, 43). The Collieries in Enugu, stone quarries at Aro and some wood industries in Lagos were government-owned, even though most manufacturing and mining concerns were privately operated (Tom Forrest, 1987, 307).

Although it has been suggested that colonial powers developed some sectors of the economies of the colonies mainly for their own interests (Ismail-Sabri, 1980, 14), nonetheless the colonial administration in Nigeria established some rudimentary development and market infrastructure. Public utilities, including electricity generation and posts and telecommunications were developed, even if confined to a few urban areas. Railways and ports were developed and administered by colonial government departments, as were utilities. Apparently, government largely abstained from social welfare activities like education and health services, which were, essentially the province of missionary organizations (Aboyade, O., 1971, 30). The impact of this colonial policy may have set the stage for the lacadastical attitude of subsequent national governments in this area.

This situation which changed dramatically after WW11, is perhaps attributable to the appointment, during the war, of an array of development officers charged with the sole responsibility of harnessing Nigeria's economy to promote the British war efforts and to "assuage the conscience of some of the British people and parliamentarians who cared to know what was going on in the colonies..."(Yusufu, 1996, 53-54). This would lead to a change in the economic objectives of the colonial administration. This changed disposition was giving added impetus with the assumption of government by the Labour Party in Britain. The new government set about fashioning a constitutional framework for self-rule, and establishing the essentials of economic and social infrastructure throughout the colony, by appropriating money (£200 million) "for the economic and social advancement" of the colonies. And at the request of the Colonial Office, the Nigerian Government formulated the country's first ever development plan which had as a specific objective, the welfare of the citizens" (Yusufu, 1996; A.A. Okuboyejo, 1969, 3). It also sought to attract foreign investment (by formulating investment policies not inconsistent with its vested colonial interests), as well as some encouragement to local business activities. The level of rapid development occurring after 1946 is illustrative (See Table 4.1)

This newly evolved colonial economic intervention and the emergent nationalist politics combined to create a predictable dynamism in the pattern and focus of the market and economic development. A number of these are significant in this regard, but particularly noteworthy are three: Firstly, the expansion of economic activities by the colonial regime, in tandem with the emergent nationalist elites created an early tendency toward a paternalistic state. Public intervention in diverse aspects of social and economic life was thus accepted and broadly encouraged. The nebulous stipulations and ideological consensus over the state's economic and market development role permitted wide discretion for public intervention, and it would appear, the states' impetus for action was stimulated by urgent and impatient demands for public amenities, protection, subsidy and patronage.

NIGERIA: SELECTED ECONOMIC INDICATORS, 1913-1966

TABLE 4.1

	1913	1937	1946	1954	1966
Federal Government Expenditures (£million)	2.9	7.4	14.1	60.7	214.3
Exports (£million)	6.8	19.2	23.7	146.2	277.7
Imports (£million)	6.3	14.6	19.8	114.1	256.3
Electricity Generated (kwh '000)	----	15	96	179	1,208
Cement Generated (tons, '000)	6	51	96	368	1,137
Railway Freight (ton-miles, mn.)	253	408	429	909	1,215
School Enrollment ('000)					
Primary	36	239	619	1,673	2,912
Secondary	1	4	10	28	220

*1965

Source: Kilby, op. cit., p.9.

Second, the states' revenue base in export agriculture and external trade permitted the government to avoid direct taxation of strategic urban constituencies, notably indigenous commercial and professional groups. Economic and political developments were in a sense "costless", based largely upon rents from foreign sectors of the economy and accumulated reserve earnings from export (Rimmer, 1981, 31; Bevan, Collier and Gunning, 1999, 27). It could be argued that the colonial government and the early post-independence regime were not classic rentier states, yet state revenue was insulated from transparent relations of extraction during the final years for colonial rule (Toyin Falola and Julius Ihonvbere, 1985, 95).

Thirdly, fiscal and development strategy developed within what might be referred to as a fractious and intensely competitive political context, creating an extremely competitive, yet focused and divisive struggle over states resources. The state became an increasingly vital arena for competition among sectional and communal interests, a source of private accumulation and political advantage. As the demands on the federal government intensified, so did the responsibilities of state to expand; just as resources at its disposal burgeoned, culminating in the centrifugal demands, which weakened the state's capacity for effective and authoritative action (Gavin Williams and Terisa Turner, 1977, 135; Charles Lindblom, 1977, 120-123)

At the end of the day, colonial responsibilities devolved rather quickly to the emergent nationalist elites. The colonial civil service embarked upon an accelerated program of Nigerianization, just as indigenous political parties secured increasing representation in the national government, and party-based regional administrations gained control of pubic revenue. During the late 1950s, a largely indigenous leadership expanded public development efforts through the establishment of public enterprise, the promotion of state participation in private indigenous ventures, the provision of development finance and the creation of legal and fiscal incentives to external investment1 (Deborah Brautigam, 1996, 81-108; A. Akinsanya, 1983, 158; Philip Asiodu, 1977, 225; Adedotun O. Philips, 1977, 252-266).

DEVELOPMENT PLANNING (THE TEN YEAR PLAN) AND CONSTITUTIONAL REFORM

Prior to 1945, the colonial government undertook no serious comprehensive planning in Nigeria. Nigeria's earliest attempts at national plans were the 1946-55 Ten-Year Plan of Development and Welfare (with plan revisions in 1951-55) and the 1955-60 plan (later extended to 1962). Essentially, they were framed by the colonial administrators and known as "A Ten-Year Plan of Development and Welfare for Nigeria" and issued as *Government's Sessional Paper No.24 of 1945.*

These were not 'plans' in the truest sense of the word. Indeed the so-called ten-year Plan consisted of proposals by the constituent departments of government for their respective expansion and these were collated to form the plan. Due to inexperience in such matters, it was not surprising that "the departmental schemes were not related to any overall coordinating of the projects in order to achieve consistency or coherence" (Okuboyejo, 1969, 30; Akin-Aina, 1984, 5, 11). Needless to say, the Plan, suffered gravely from lack of adequate scientific statistical background, as there was not as yet an Office of Statistic, even though the creation of one was indicated in the Plan.

The 1951 revision published as *Sessional Paper No.6 of 1951* emphasized the role of government activities and public institutions, including marketing boards, development corporations and loans programmes (Rimmer, 1981, 3). Although the revised Plan was said to have suffered the same weaknesses as the original plan, in that available data was insufficient, "... the ten-year plan together with its revised edition made possible the expansion of public health and education services and of some public facilities as roads, ports and water supplies. The private sector of the economy also participated in and benefited from the expansion, and the productive capacity of the economy rose to a higher level" (Okuboyejo, 1969, 4).

It would appear that further experimentation in development plan formulation would be predicated upon the Report of the International Bank for Reconstruction and Development (World Bank) team which visited Nigeria in 1954, and which visit coincided with the formal establishment of Nigeria as a federation, comprised of a federal government in Lagos and three semi-autonomous regions. The Plan which formed the basis for development policies for the Federal and, to an extent, Regional governments was intended to cover the five-year period, post 1955; and it consisted of five plans, one each for the three new federated Regions (North, East and West), one for the Cameroon (then still part of Nigeria), and the Federal Plan (Yusufu, 1996, 55).

The Bank Report embodied in the Economic Programmes of the Federation of Nigeria was published in *Sessional Paper No. 2 of 1956.* The Report affirmed the need for assertive government intervention in the market and economic development process. In addition, it also recommended that revenues accumulated by the agricultural Marketing Boards, previously viewed as stabilization resources, be allotted to development purposes. The Report also recommended that diversified public Development Corporations be established to accumulate and invest these funds (IBRD, 1955)

The regions essentially maintained separate civil service, budgets, courts, control over marketing boards, etc, and there were no efforts made at coordination, integration or alignment (Dudley, 1973, 52-53). The Plan as formulated, and given the political party structure of the regions, was more duplication and competition than cooperation. According to Okuboyejo, (1969, 6). "They all fell short of standards of true perspective planning. No conscious attempts seems to have been made to accelerate economic growth by laying down national goals and objectives"

As Tables 4.2 and 4.3 show positive pictures, the Nigerian economy exhibited evidence of some commendable resilience and capacity for self-sustaining growth. However their translation to national development in terms of improved welfare for the average citizen is of debatable; given the not too necessarily obvious correlation between economic growth and citizens' overall well being (Karla Hoff and Joseph Stiglitz, 2000, 389-459).

SELECTED INDICATORS OF ECONOMIC GROWTH, NIGERIA 1944-1957

TABLE 4.2

S/No.	Item (Indicator)	1944	1949	1953	1957
1.	Exports (Million £)	17.2	81.1	124.2	125.6
2.	Imports (Million £)	157.7	58.2	108.3	151.6
3.	Currency in Circulation (Million £)	13.5	31.8	51.4	57.3
4.	Motor Spirit Consumption (Million gallons)	9.9	17.6	33.3	46.3
5.	Railways goods traffic (Thousand net ton-miles)	513	653	827	1,294
6.	Commercial Vehicles (New registration)	663	2,356	4,159	5,613

Source: United Nations: Information from Non-self-governing Territories, Nigeria, April, 1959 (Reproduced from T.M. Yusufu, An Introduction to Industrial Relations in Nigeria)

It is noted that due to a buoyant world market for primary products, between 1939 and 1957, exports rose steadily from about £99.9 million (pounds sterling) in 1950 to £171 million (pounds sterling) in 1960. Imports also rose dramatically in the period 1944-1957. In the pre-independence decade, 1950-1960, the export sector continued its upward trend, rising 71.2 per cent. Imports, which for the first time showed a more significant rise than exports, grew by 236.9 per cent (at 1957 constant prices) from £75.1 million (pounds sterling) in 1950 to £252 million (pounds sterling) in 1960. In 1954, exports and imports were almost in balance at £131.9 million (pounds sterling) and £131.6 million respectively (Yusufu, 1996; Ekekwe, 1985, 53-70; S. Tomori and F.O. Fajana, 1979, 131-146).

In time there appeared to be a widening gap between exports and imports with a rapidly increasing deficit balance against Nigeria. In 1955, the value of exports and imports were respectively £126.9 million and £163. 3 million, while in 1960, they were £171 million and £253 million. It shows that the adverse balance of trade position increased by 125.3 per cent from £36.4 million to £82 million. It must be pointed out however that some of the difference was made up by development grants from Britain (£23 million to support the Ten-Year Plan) and the rest from previously accumulated foreign reserve.

Also as Table 4.3 further indicates, consumer expenditure dropped by 2.4 per cent between 1950 and 1960; at a period when government expenditure rose by 126.5 per cent. To a large extent, this was attributable to constitutional changes of 1954, which gave rise to the creation of regional bureaucracies and the need for administrative infrastructure, which was also based on the recommendations of the World Bank, to strengthen government services and to enable the expansion of the real sector--- industry and agriculture (IBRD, 1954). Although this period was determined as one of rapid economic growth, in that there was a rise in Gross Fixed Investment by 123.2 per cent from £6.9 million in 1950 to £15.4 million in 1960, consumer expenditure fell by 2.4 per cent over a ten-year period, as against an estimated 30 per cent increase in population during the same period.

SELECTED ECONOMIC INDICATORS, 1950-1960 AT 1957 PRICES

LE 4.3

												Increase	1950-	1960
S / N	Item/ Indicator	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	Amt (£m)	Per %	Avg %pa
1	Gross Domestic Product (GDP) (£m)	699.3	754.0	809.3	827.7	892.8	891.8	903.5	938.7	970.7	987.7	1023.7	329.7	47.1	4.7
2	Government Expenditures on Goods and Services (£m)	24.0	26.8	33.5	29.9	31.2	45.5	43.8	47.6	56.7	70.7	77.0	53.0	220.8	22.1
3	Gross fixed Investment (£m)	48.4	59.7	75.0	79.9	92.9	102.6	108.0	113.0	122.3	136.7	158.0	109.6	226.4	22.6
4	Exports	99.9	93.6	111.7	114.8	131.9	126.9	138.5	129.1	144.0	163.0	171.0	71.1	71.2	7.1
5	Imports	75.1	82.6	108.3	114.1	131.6	163.3	180.9	175.6	182.0	212.0	252.0	177.9	236.9	23.7
6	Consumer Expenditure as percentage of GDP (%)	87.1	86.2	86.0	86.7	86.8	87.4	88.4	86.9	85.5	84.0	85.0	(-2.1)	(-2.4)	(-.02)
7	Government Expenditure as percentage of GDP (%)	3.4	3.6	4.1	3.6	3.5	4.9	4.8	5.1	5.8	7.1	7.7	4.3	126.5	12.7
8	Gross Fixed Investment as percentage of GDP (%)	6.9	7.9	9.3	9.7	10.4	11.1	12.0	12.0	12.0	13.8	15.4	8.5	123.2	12.3

urce: Extracted from First National Development Plan, 1962-68, p.13

It would appear therefore, that the apparent positive effects of economic growth deriving from development efforts had not yet begun to trickle down significantly to the average person. The figures noted above suggest a significant decline in their purchasing power and level of average welfare. This statistics confirm evidence of rapid economic growth by conventional standards, but very little of national development in terms of improved welfare of the average or optimal citizen, whose per capita real income actually declined (Yusufu, 1996, 59).

THE FIRST NATIONAL PLAN (1962-1968)

Although Nigerian political leaders apparently made decisions about the general objectives and priorities for the first plan, its authors, who were foreign economists, had a decidedly distinct and significant role in its formulation. They recommended certain components and features to the plan they considered critical. For example, they favoured, among other alternatives, decentralized decision making by private units, disregard of major discrepancies between financial and social profitability, and high economic payoffs from directly productive investments (as opposed to indirect returns from social overheads). They discouraged taxes on the wealthy (out of a fear of dampening private investment incentives), and advocated a more conservative monetary and fiscal policy, emphasizing a relatively small plan, openness to foreign trade and investment, and reliance on overseas assistance. Foreign trade was at one-half of public sector investment.

Dr. Wolfgang Stolper headed the technical planning team and the National Economic Council with its Joint Planning Committee in the preparation of the plan at all stages (A.A. Ayida and H.M.A. Onitiri, 1971, 6). Although development planning of incomprehensible inconsistency and impractical implementability had gone on in Nigeria much earlier, the plan that subsequently emerged from this team would become the first post-independence Plan. The Plan's statement of Goals and Objectives, *inter alia*, declares:

> "Nigeria's economy is a mixed one. The Governments have taken an active part not only in providing the social but also the basic economic services, such as electricity and ports. They also intend to participate in the operation of various industries, such as a steel plant and oil refinery. The attitude of the governments of the Federation, however, is entirely pragmatic and accepts the desirability of a mixed economy. At the same time, the Governments are convinced that no amount of Government activity can effectively replace efforts of a broadly based and progressive private sector (First NDP 1962-1968, 21)".

Among its other specific goals, the Plan stressed the importance of a target economic growth and productivity (4 per cent or more), apparently placing secondary emphasizes on economic independence and domestic distribution. It would appear therefore, that the broad thrust of the nation's economic strategy was to launch Nigeria towards an economic "take-off", to achieve "self-sustaining growth not later than by the end of the Third and Fourth National Plan" (First NDP, 1962-1968, 23). Obviously, the principle, if not the instrument, of distributive equity was affirmed as the Plan clearly stated an intention "to achieve a modernized economy consistent with the democratic, political and social aspirations of the people. This of course includes the achievement of a more equitable distribution of income both among people and among regions" (First NDP 1962-1968, 23).

The Plan's main focus was its capital projects' emphasis. Indeed, Edwin Dean (1972, 30) contends, "...The core of the Plan... was its projects". According to him, the Niger Dams Projects, which greatly augmented the power system, was presented as a centerpiece of the development program (Dean, 1972, 20). Industrial projects included an expansion of cement production, the construction of an oil refinery and an iron and steel complex. Apart from these, the Plan outlined the expansion of social and economic services, including infrastructure and utilities initiatives to increase export crop production. It also included the establishment of farm settlements and plantations, and the expansion of technical services. All of which was hoped would increase employment opportunity for the citizenry.

Interestingly enough, the projected sources of finance for the Plan's implementation reflected both the preeminence of state initiates in development, as well as the constraints on state resources. The public sector was to be responsible for two-thirds of Plan expenditures while the private sector, foreign and domestic, would provide the remaining third. It was also expected that nearly half the government's capital projects would be financed by foreign loans and grants.

Apart from the fact that very little assistance came from foreign sources because of, among other things, aid-and-loan-tying (to specific projects), the Plan was not without other difficulties. Although the Plan was the product of Federal and Regional governments' participation, its final appearance as a Federal plan and accompanied (or is it encumbered?) by three regional plans reflected the compromises inherent and potentially inconsistent in the Federal structure of government, especially the Nigerian model. According to A.A. Ayida, "… as long as the tripod theory of power in Nigeria subsisted, the unhealthy rivalry among the three major grouping made rational plan administration in Lagos impossible" (1987, 26). Understandably the Plan stressed a large measure of flexibility in implementation, especially as it was appreciated that information upon which the Plan was predicated was inadequate and patently unreliable. There was also palpable deficiency in administrative capacity, and the considerable autonomy, which the regions could be expected to exercise by default, if not by assent, in implementation (Ayida, 1987, 12, 26; Dean, 1972, 233; Stolper 1966, 40).

It has been suggested that economic rates of return provided the guiding criteria for assessing public sector investment programmes and development projects (Stolper, 1966,25). However, consideration of social equity and long-term returns on social and economic overhead were explicitly subordinated to the principles of profitability and efficiency (Nafziger, 1983, 85); even as the insistence upon narrow economic criteria as a basis for state programmes was contradicted by the competitive requisites of the regional elites and the political class. The character of economic policy and the pattern of public sector activity were influenced less by the designs of planners, the dilemmas of administration or the problems of constitutional structure, than the imperatives of sharpening political rivalry (Rimmer, 1981, 44; Yusufu, 1996, 56-61). All in all, the predominant view expressed by Nobel economist W. Arthur Lewis is that the main weaknesses of the 1962-1968 plan were incomplete feasibility studies and inadequate evaluation of projects, accompanied by meager public participation, which was compounded by excessive political intervention in economic decisions. Moreover, he opined that insufficient attention was paid to small indigenous sector, even as the machinery for implementing development in public sector was unsatisfactory. The most important aspects of Nigeria's 1962-1968 plan was "how the government proposes to raise the money and to recruit the personnel to carry out its objectives" (1982).

PLAN IMPLEMENTATION AND NATIONAL POLITICAL STRUCTURE

It would appear that the political structure bequeathed by the colonial authority, and under which the development plan was to be implemented was already bedeviled by federal, regional and ethnic political rivalry. Unfortunately, economic policy, especially at the regional level, was influenced by the need to secure or enhance resources in the struggle for political competition and dominance. In his characterization of the relationship between politics and economics in Nigeria's First Republic, Billy Dudley (1982, 63) had this to say:

> "For the Nigerian political elite, politics involves not the conciliation of competing demands...but the extraction of resources which can be used to satisfy elite demands and to buy political support. The political relationship is essentially a relation between patrons and clients, and clients give their support in so far as the patron 'delivers the goods'. The ability to extract and therefore to deliver, is of course directly related to the extent of control over the instrumentalities of government".

The country's political structure was one in which, especially following the Plan (1962-68) formulation, federal government controlled public service and fiscal resources, components that were becoming increasingly critical to the regions, in the light of the patron-client dynamics of the political culture (Robin Cohen, 1974, 6). Indeed by the Plan period, the Federal government accounted for over 60 per cent of the spending programme. Notwithstanding, by the late 1950s the Regional governments were running budget deficits while the Federal government, controlled by a hegemonous NPC (Hausa-Fulani-controlled Northern People's Party) was running a surplus (Dudley, 1982, 56; Lloyd G. Reynolds, 1985, 212). Between 1961 and 1963, however, both the Federal and Regional government were running deficits (Tims, 1974, 224; Reynolds, 1985, 213-215), thus exacerbating desperation for access to increasingly scarce resources.

This dimension of access and its concomitant dividend was never lost to the northern political elite. Indeed, dominance of the Federation was a tremendous advantage and a source of constant friction in the regional competition for public services and other development resource allocations. That the Northern political elite will attain this superior position of regional largesse allocation is an ironic twist in the political dynamism of the country. For very early in the struggle for independence from Great

Britain, the North was reluctant to join the independence struggle for early emancipation with the rest of the country since they were unprepared (educationally, infrastructually and institutionally) "to develop at the same pace with the South." The following editorial in 1950 by one of the Northern Newspapers is instructive:

> "...Southerners will take the places of Europeans in the North. What is there to stop them? They look and see it thus at the present time. There are Europeans but, undoubtedly, it is the Southerner who has the power in the North. They have control of the railway stations; of the Post Offices; of Government Hospitals; of the canteens; the majority employed in the Kaduna Secretariat and in the Public Works Department are all Southerners; in all the different departments of government it is the Southerner who has the power..." (Coleman, 1958, 362).

Providentially, the Northern elite was in a position to allocate federal resources, including the public services, during a period when increasing federal revenue, derived from petroleum production in the East, created huge federal retained revenue. The revenue allocation formulae for the federation even though it was based primarily on "derivation", the manipulative application of the formulae based on other political considerations – need, power structure and a census-based population – seems to call into question, at least from the perspective of some of the segments, its judicious and equitable sense of fairness. The sense within the regions was one of resentment and inequity. This perceived, albeit collective, sense of injustice and unfairness was vocally expressed by the Eastern Nigerian Regional Government ran thus:

> "Take a look at what they (NPC) have done with the little power we surrendered to them to preserve a unity which does not exist: Kainji Dam Project...about £150 million of our money when completed all in the North; Bornu Railway Extension...about £N75 million of our money when completed- all in the North; spending over £N50 million on the Northern (sic) Nigeria Army in the name of the Federal Republic; Military training and all ammunition factories and installations are based in the North, thereby using your money to train Northerners to fight Southerners; Building of a road to link the dam site and the Sokoto cement works...£N7 million when completed—all in the North; Total on all of these four projects about £N262 million. Now they have refused to allow the building of an iron and steel industry in the East and paid experts to produce a distorted report" (Dudley, 1973, 69).

It would appear from the foregoing that the East perceived a number of misgivings: 1. That burgeoning resources from its enclave were being appropriated (or ill appropriated) by the Northern (NPC) dominated Federal government which was essentially channeling these resources to the northern heartland; and 2. That this level of selective resource concentration had serious political and military implications. In his work, Dean (1972, 247) observes that the 1962-1968 Development Plan "implied a transfer of resources to the North", and that the Northern Nigeria Development Plan's large funding deficit required effective Federal subsidization of the Region's development effort.

The sense of discontent felt by the East was perhaps no different, or perhaps worse in the Western Region, culminating in the notorious political events in Western Nigeria (Robin Luckham, 1971, 206-221, Cohen, 1974, 1-17; Dudley, 1973; Kenneth Post and Michael Vickers, 1973). Understandably, the attempt by the North to perpetuate political dominance and the inevitable struggle resulting from that with the other two regions (East and West) undermined the system's capacity to implement economic policies, as well as the effective creation of sustainable market environment.

Notwithstanding the political colouration of the regions, a practical, even if inexplicit consensus was apparent among regional political leaders and influential business groups as to the broad features of Nigeria's mixed economy. Government intervention was deemed necessary and appropriate in three distinctive areas: in the provision of major public services; the establishment of a viable and sustainable market environment; and in the establishment of strategic enterprises in areas where the indigenous private sector had little interest or capacity, and foreign involvement was politically unacceptable (Akinsanya, 1983, 156).

PLAN SCOPE AND PERFORMANCE

The first five years following Nigeria's independence may not have been as peaceful and uneventful as they could have; controversies ranged from the hotly disputed census figures of 1964, to the leadership crisis in the Western regional House of Assembly. However, on the economic front, the country would made some modest gains, notwithstanding "the disparate, uncoordinated and inherently conflicting nature of development policies and strategies between the nascent Regions, on the one hand, and on the other, between them and the Federal Government of the time" (Yusufu, 1996, 59-60). Modest because the plan was encumbered by a number of factors, including shortage of skilled manpower, low level of technology and revenue shortages, especially when a high percentage, 50 per cent, of the country's projected revenue source, for the execution of the Plan (1962-1968) was counted to come from external sources, in the form of grants and loans.

During the Plan period (1962-1968), highest priorities were accorded to agriculture, industry and technical training (First NDP, 1962-68, 1961, 6). The sectoral allocation of planned capital expenditure in the Plan broadly reflected these priorities. Thus the proportions of planned capital expenditure earmarked for primary production, and trade and industry in the Plan amounted to 13.6 per cent and 13.4 per cent respectively as against 5.7 per cent and 3.2 per cent respectively in the 1955-62 programme. Also, due to the priority accorded to technical training, there was an increase in the share of resources allocated to education from 7.3 per cent in 1955-1962 to 10.3 per cent in 1962-1968.

It should be noted however, that the Federal Government neither established large numbers of public enterprises during the First Plan period nor did it engender a dramatic expansion of the public sector. Nonetheless, public enterprises were responsible for 63 per cent of the planned Federal capital programme for 1962-1968 (NDP 1962-68, 1961, 52-54).

The most important Federal ventures in infrastructure included the Niger Dam Authority, established in 1962 to implement the massive hydroelectric project at Kainji; the National Television Service, and the Nigerian External Communications (later renamed Nigeria Telecommunications Ltd.), both in 1962, the Niger Delta Development Board (1961), principally concerned with the development of primary production and agricultural research, and the Chad Basin Commission, a multi-lateral development institution established by Nigeria, Chad, Niger and Cameroon.

Three enterprises which were established on account of their importance and implication to national security, self-reliance and self-sufficiency were: Nigeria Defense Industries Corporation, Kaduna and Nigerian Security Printing and Minting Company, Lagos (both established in 1964), and the Nigerian National Press Limited (established 1961). Commercial and Manufacturing ventures included the Tourist Company of Nigeria (1962) and the Nigeria Paper Mills Ltd, Jebba (1969). Research and Training institutions included the Nigeria Council for Medical Research (1964) and the Nigeria Council for Scientific and Industrial Research (1966). In 1961, government inaugurated the National Provident Fund, a social insurance scheme.

It would appear that government participation in industry continued to expand throughout the decade. By 1967, public industrial investment comprised about 18 per cent of total industrial investment (World Bank, 1974, 244). It would also appear that Federal participation was concentrated in larger industrial ventures. It was also believed that by 1963, government investments equaled as much as 22 per cent of the equity in large-scale manufacturing (Forrest, 1982, 325). Although the Paper Mill in Jebba and the Petroleum refinery became operational in 1965, the iron and steel complex, for reasons of extraneous political considerations, never progressed beyond the planning stages. This was inspite of a political compromise that the project be split in two, one to be built in the East and the other in the North. Many of the other larger industrial projects were undertaken as joint ventures, including mining. However, apart from coal, the mining sector was dominated by foreign capital (Ogunpola Akin, 19, 311). What also seemed significant was that domestic value added in the new industries was low: their products, which had high import content, also meant that profits were freely repatriated. Understandably, firms with prior "protected" interest in the market accounted for the major part of the country's import substituting industrialization (Kilby, P. 1969, 75-79; Dina, I.O. 1971, 393). Overall, it would appear that government's role, as an investor was modest at best. According to some opinions, government intervention in this sector was largely to accord incentives to private, predominantly foreign investors in the areas of allowing accelerated depreciation, import duty relief and tariffs; the main effect of which was not for protection reasons, but to create rents for revenue and balance of payments reasons (Bevan, Collier and Gunning, 1999, 31-32).

If there was one area of significant contention, if not disruptive regional competition, it was in the area of industrial policy formulation (and implementation). Sectional wrangling over a number of issues gravely affected the process: siting, staffing, managerial appointments contracts and patronage (Aboyade, 1968, 290-292). There was also this prestige attachment to industrial location and presence that saw the replication of textile and cement industries all across the regions, resulting in substantial duplication and excess capacity. According to S.O. Ugoh (1981, 163), a study in the mid-1960s concluded that at least three of the country's five operating plants were economically unviable due to poor location and inappropriate size. The Sokoto Cement was perhaps an example of what appeared in some varying degrees a typical form and pattern. It was not only located in the home city of the Northern Region's premier which was more than 136 miles from the nearest rail line, no feasibility report on the project was ready until a year after an agreement was signed with the foreign partner (Dean, 1972, 58).

The government's role in agriculture was also modest, in spite of the hitherto dominant role of agriculture as the country's economic mainstay. For as Godwin Okurume would posit, Nigeria essentially was "an agricultural export economy. The entire economy revolved around agriculture, which was largely in the hands of peasant smallholders. They exchanged varying proportions of their produce for cash even though the main components of their activities were outside the money economy. The fact, however, that exports of agricultural produce determined the direction of the rest of the economy made Nigeria an agricultural economy" (in Yusufu, 1996, 232). Indeed, in 1961 this sector accounted for 89 per cent of all exports and 66 per cent of total foreign exchange earnings, while employing over 70 per cent of the country's labour force (Second NDP, 1970-1975 Chapter 12, 103). A number of factors account for this modest outcome.

For example in its first Plan (1962-1968) government claimed that agriculture was among its top most priorities. However during the first five years, only 7 per cent of total government spending (capital and recurrent) went to agriculture (J. C. Wells, 1970, 251-252). There was also a peculiarly regional thrust to that process. In the South (East and

West) investment went largely to settlement schemes and government plantations, which turned out to be woeful and costly failures (S.A. Oni, 1972, 191-205; First NDP, 1962-1968, 290). In the North the emphasis was on irrigation projects, which might have been successful but for insufficient funding –only NG1.4 million was spent.

Furthermore, the use of improved seeds and fertilizers remained at very low levels, and the yields of major crops remained constant or even declined (Wells, 1970; Oluwasanmi, 1971; World Bank, 1974,239). Where there was growth at all, it had nothing to do with changes in production methods, but had everything to do with expansion of the area of cultivation and expending more time on the farm. However as prices declined, it became less attractive to farm and rural-urban migration became an attractive alternative (Helleiner, 1966; Aboyade, 1971; Nnoli, 1980).

What seems apparent is that government viewed the agricultural sector largely as a source of foreign exchange and government revenue, even as it had extreme difficulties evolving a consistent policy thrust. According to Ekekwe, the policy was as shortsighted as it was prospectively unrealistic and comprised of four significant components, each of which was circumstantially unattainable:

> "(1) it emphasized cash crop production, (2) it depended for state revenue on surplus squeezed from peasants through the Marketing Boards, (3) it accelerated the introduction of capitalist relations among the peasants, while later, (4) it sought to disintegrate completely the peasant mode of production and replace it with capitalist agricultural production" (1985, 59).

It is also noteworthy that government intervention in the agricultural sector was rather sparing, and when it did, its main instrument continued to be the use of Marketing Boards as vehicles for taxation, thus underlying the singular resource-generation focus. And for some inexplicable reasons, the Board was rather baselessly discriminatory in its tax categorization of cash crops and their relationship with some other food crops. For example, the marketing boards did not control rubber and food crops, but were monopolies for cocoa, cotton, ground- nuts, and palm produce. The Board set prices that were significantly lower than international market price for the produce. The resulting surpluses were channeled to the government. This implicit export taxation reduced producer prices by 20 to 30 per cent (Malcolm B. Bale, 1985; H.D. Nelson et al, 1972, 332-334; Helleiner, 1966;Yusufu, 1996). In view of the fact that government development expenditure showed a decidedly urban bias, the policy of keeping producers prices low to generate government revenue could be seem in its larger implicatory perspective---a huge transfer from rural to urban groups. According to Dupe Olatunbosun's estimates (1975, 22), Nigerian rural dwellers contributed more than 50 per cent of the current revenues of state governments; yet only about 20 per cent of the government total expenditure, between 1960 and 1974 found it way back among these rural dwellers. Apart from the possible distributional effects, this tax also caused mis - allocative losses, both among other economic sectors and within the agricultural sector: farmers had incentive to switch to crops not controlled by the marketing boards. And although the export tax already existed before 1960, things got worse during 1960-1967 (Bevan, Collier and Gunning, 1999, 31).

Indications are that government's role in the provision of social services---education and health--- were as modest as they were sectionally discretionary. Notwithstanding the widespread consensus among the development economists and indeed the Nigerian elite that investment in education and health is investment in human resources and thus a stimulating factor in economic growth, improvements in this area were relatively modest. According to Yusufu (1986, 2), "They saw education as an instrument to lift the nation out of its 'primitive' morass, to enlighten the masses for democratic participation in politics, and the nation for participation in international affairs. It was the beacon of light that led to the Promised Land". Markedly different from other policy differences and focus between the regions, there was unanimity in the central place of education in the life of the people. "The Western and Eastern Regions embarked upon universal primary education; the Northern Region whose primary and secondary education had, by almost imperceptible tradition, invariably been free, instituted very generous overseas scholarship awards...Primary and secondary schools multiplied by the hundreds, and the Universities of Nigeria, Ife and Ahmadu Bello, were added by then to the University of Ibadam at the tertiary level" (Yusufu, 1996, 136).

Indeed, although the United Nations recommendation is that education should take at least 20 per cent of national budgets, the 10 per cent threshold maintained by the government, in view of all other contending priorities, was perhaps as consistent as it was relatively comparable. About NG 70 million (10 per cent of total budget) was allocated to education. Primary school enrollment stabilized in the south. In the North, however, enrollment increased rapidly, from 250,000 in 1959 to 410,000 in 1963 (Bevan, Collier, & Gunning, 1999, 33).

Health, another area of general agreement on need for investment, in view of its human capital development significance, and impact on the overall economy received very modest allocation. Government's allocation for health during the plan period amounted to only NG 17 million, and only about half of that was actually spent (P.O. Ahimie, 1971). Table 4.4 shows a distinctive expenditure pattern; and these budget choices may be better appreciated in Lewis characterization of health expenditure as the most productive of national allocations:

> "Expenditure on health is productive in three ways: firstly, it increases the number of man-hours of work that can be performed; secondly, it improves the quality of work; and thirdly, by clearing otherwise uninhabited areas, it makes possible the use of natural resources which would not otherwise be utilized" (1968, 110-111).

EVALUATION OF REGIONAL PERFORMANCE

Although the regional governments (only three by 1963) expanded their economic activities through their respective Development Corporations, the general belief was that the regional parties physically executed those activities in the names of the various corporations. Significantly, the four regions reflected an unmitigated disaster in terms of financial mismanagement, and almost uniformly, party and political interference was a factor in their overall public conduct. Low productivity and ubiquitous political manipulation was a recurring decimal, so to speak, in the areas of agriculture, industry and welfare services.

It is also pertinent to mention here the pride of place agriculture had for all of the regions, (as with the federal government) as a primary source of revenue for the execution of their projects through their various Marketing Boards. "Thus, for the Western Region in 1962-1967 about 39.7 per cent of public investment money come from Regional Marketing Board. For the Northern and Eastern Regions the figures for the same period were about 42.3 per cent and 64.7 per cent respectively" (Ekekwe, 1985, 60).

Public Capital Expenditure Performance under the First National Development Plan, 1962-68

TABLE 4.4

S/No.	Sector	Estimate (£m)	Actual Expenditure (£m)	Change %
1.	Primary Product	91.760	52.523	-42.3
2.	Trade and Industry	90.269	47.537	-47.3
3.	Electricity	101.740	80.686	20.7
4.	Transport	143.817	121.101	-15.8
5.	Communications	30.000	11.042	63.2
6.	Water	24.258	24.747	+2.0
7.	Education	69.763	45.654	-34.6
8.	Health	17.076	7.460	-56.3
9.	Town and Country Planning	41.746	19.630	-53.0
10.	Cooperative and Social Welfare	8.662	3.722	-57.0
11.	Information	3.662	4.680	+27.7
12.	Judicial	0.964	1.247	+29.4
13.	General Administration	48.089	103.527	+115.3
14.	Financial Obligations	3.900	12.883	+230.3
	TOTAL	676.800	536.499	-20.7

Source: Second National Development Plan, 1970-1974, Table 3, p.13

The Western Region was perhaps the most innovative and could be ranked first in terms of development spending in the regions. Its flag institution, the Western Nigeria Development Corporation (WNDC), between 1949 and 1962, invested some £17.8 million, 72 per cent of which was purportedly allocated to productive enterprises (Teriba, 1966, 237). The Corporation held equity in about twenty commercial ventures, four of which were wholly owned. Loan commitments were nearly double equity holdings. Although the corporation extended substantial loans to companies like West Africa Portland Cement Company, the Nigeria Textile Mills Ltd and the Nigerian Plastic

Company, among others, the fact that its largest loan recipients were two companies --- Nigersol Construction Company and Nigerian Water Resources Ltd---owned by the Chairman of WNDC, Chief Albert Rewane, is very telling. It should however be noted that it (WNDC) also made large investments in cocoa, rubber, and palm plantations, as well as wholly-owned agricultural schemes; including smaller commitments to pioneer oil and rice mills. What was spectacular about these numerous activities was that by the early 1960s almost all of these investments had gone sour and were written off.

The investment activities of WNDC were marred by a combination of factors, all of which were distinctively impacting. They ranged from hastily prepared feasibility studies, to mismanagement, to corruption and indiscipline. For instance, the industrial ventures operated well below capacity, either because of excess installed capacity, (as in the case of the Pepsi-Cola plant) or that inputs were in short supply (as in the case of the Lafia Canning Factory, which operated between 3 per cent and 13 per cent capacity (Teriba, 1966, 253). In his assessment of the Corporation's activities, Teriba had this to say:

> "outside the minority investments in privately managed and therefore profit-oriented companies, the activities of Western Nigeria Development Corporation have, for the most part, been unguided by any meaningful or viable criteria of development...For the generality of WNDC wholly-owned and managed industrial projects as well as agricultural schemes, the criteria of potential profitability was either ignored, badly calculated or misapplied... cumulative losses were the outstanding feature of the Corporation's agricultural and industrial...projects"(1966, 256-257) .

The Region's *modus operandi* was no different in the activities of the Western Nigeria Financial Corporation (WNFC). More than 70 per cent of the corporation's investment, indeed £1.1 million was invested in one single, non-viable venture, a car sales firm. The transaction with the Arab Brothers Motor Ltd was one of imperceptible dubiousity. The idea of investing in a motor distributorship was suspect enough, but that the company immediately started losing money after it went public, leads inevitably to the conclusion that the Corporation's bookkeepers inflated the firm's performance prior to sale. The fact that the firm had been in business since 1933 is even more curious (Morton S. Baratz, 1964, 60-71). The Corporation's other investments, apart from lacking any rational investment prudence, did not seem to benefit the region in terms of human development. These ventures included an insolvent boatyard; a bankrupt distributor of appliances, spare parts and building-materials, a hotel and a wholly- government patronized insurance company.

For the Eastern Region, their investment vehicle was the Eastern Nigeria Development Corporation (ENDC). By 1962, the ENDC had expended £10.7 million, 63 per cent of which were investments in commercial schemes and equity in private firms. The Corporation's investment interest included the Obudu Cattle Ranch, a pioneer palm oil mills, cocoa, oil palm, cashew and rubber plantations. There was also a brewery, Pepsi-Cola bottling plant, a glass factory and hotels. It also held equity in seven other companies. They included a rubber estate, the African Continental Bank, the Universal Insurance Company, two construction firms and two cement companies. These financial investments accounted for 44 per cent of the Corporations equity holdings, and the cement firms comprised a further 25%. Nearly 80 per cent of the Corporation outstanding loans went to community development, real estate and regional statutory corporations. The Development Finance Company, in which the Eastern Regional Government shared equity equally with the Commonwealth Development Corporation, invested in fifteen ventures by 1966. Among these were shares in Alcan Aluminium, Bewac batteries and several light manufacturing ventures (Pius Okigbo, 1981, 149).

Perhaps not particularly dissimilar or unexpected with the experience in the Western Region, only one of ENDC commercial ventures was profitable--- an oil palm estate. By 1962, the cumulative losses on its commercial investments totaled £1.09 million. Helleiner is of the view that perhaps a third of the Corporation's capital was employed for projects and investments of questionable economic viability or allotted to ventures for which there was scant justification either for public capital or in terms of development benefits (1964, 122-123). Strikingly reminiscent of the Western Region's experience, 37 per cent of the Corporation's loan portfolio, about £1 million went to a real estate firm, African Real Estate and Investment Company Ltd. The company belonged to the chairman of ENDC. Curiously enough, the loan was not even reported in the Annual Reports of the Corporation (Helleiner, 1964, 117). These patterns and reasons for failure were no different from what was the case in the Western Region.

According to Sayre Schatz (1977, 229), the default rate on the ENDC loans was extremely high: over 87 per cent of total loans were overdue in 1963.

On the face of it, the Northern Region's investments ventures fared better. The Northern Nigeria Development Corporation (NNDC) in the early 1960s seemed to exhibit better financial judgment and prudence in its investment strategy (Helleiner, 1964, 241). By 1962, the NNDC had allotted loans and equity in twenty-eight private companies, fourteen of which were in manufacturing. Investments in nine textile firms accounted for half the Corporation's manufacturing investment. A quarter of its funds were allotted to road transportation, and a relatively small amount to banking, including the Bank of the North, the Guinea Insurance Company and the investment company of Northern Development (Nig.) Ltd.

The appearance of judiciousness and prudence seems tenuous and unsustainable. Of the thirty-nine projects in its portfolio by 1966, only one of twelve wholly owned projects was deemed viable. And out of about twenty-seven commercial ventures, only six was deemed viable. It became apparent that the Regional government had financed these investments in the name of loans to the Corporations. Indeed the Regional government listed these allotments as plan expenditures, an amount equivalent to 13 per cent of total capital expenditure for the fiscal years 1964-1966. The failure of Corporation was attributed to be pervasive political intervention in the Corporation's affairs, especially from the Minister of Economic Planning (Dean, 1972, 58).

It is believed that the regional loan programmes suffered similar fate of political intervention and a combination of mismanagement and inattention to other impacting economic factors. In his study of loans schemes, Sayre Schatz found that the primary constraint on the expansion of public capital was the dearth of viable projects available for funding. Despite indications of early fiscal restraint on the part of some regional development corporations, by the mid-1950s the regions were anxious to disburse money as quickly as possible (1977, 228). Economic justifications were discarded, and political connections because the decisive criterion for securing public credit. Loans were typically granted with minimal investigation and little security (Sayre Schatz, 1970, 1964). The high default rate on regional loans were largely attributable to the politicization of the process that as casually made patronizing loans available to "connected" recipients without collaterals and, as equally, applied no pressure for their repayment. The default rate for the North was about 53 per cent for the West 74 per cent and the East it was 87per cent (Schatz, 1970, 101, 107).

NATIONAL PERFORMANCE EVALUATION

According to some opinions, five significant developments during the period 1960-66 set the direction for Nigeria's economic future:

> "First, macro-economic discipline suffered from favourable initial conditions (the huge foreign exchange reserves) and from oil bonanza. Second, apart from the implicit taxation of export crops and the government's role in raising wages, expanding employment, and granting tariff protection to industrial firms, there was little microeconomic intervention. Third, agriculture was apart from some ill-conceived projects neglected, whereas industrial investment, especially by foreign firms, was actively encouraged. Fourth, regional tensions, which were already strong at the end of the colonial period and which had made it difficult to find a constitutional arrangement for a new independent Nigeria grew. This occurred because the regions had unequal access to positions in the federal state and because the old political equilibrium was upset by disagreements within the Western Region and the intervention of the Federal government there. Fifth, the political process became discredited, having failed in the face of important issues such as the census controversy and the corruption associated with political parties" (Bevan, Collier and Gunning, 1999, 33-34).

Overall, the performance of the Nigerian economy through the period 1962-1966 showed relative growth and encouragement (See Table 4.5).

Gross Domestic Product, 1960/61 and 1966/67

TABLE 4.5

	Millions of Pounds,	Nigerian 1962/63 prices	Increase
ector	1960/61	1966/67	(Percent)
griculture, forestry, fishing	799.9	869.5	9
il	5.5	102.4	1,769
ther mining	10.3	13.4	30
anufacturing	57.0	113.4	99
blic utilities	4.2	10.1	140
onstruction	55.4	81.3	47
rade	154.7	200.9	30
ansport and communications	53.9	64.7	20
eneral government	39.9	51.1	28
ucation	32.1	55.1	72
ealth	6.3	12.5	98
ther services	25.3	41.4	64
otal GDP (factor cost)	1,244.5	1,615.8	30

Source: World Bank 1974, p.208.

The economy grew at an average annual rate of 5.3 per cent, a level consistent with Plan projections. Manufacturing grew at annual rate of 10.5 per cent between 1961-1967. Though foreign investment in the economy continued at a steady rate, foreign aid receipts, a significant part of the Plan projections, were less than forecast (Tims, 197, 220; Philip Asiodu, 1971, 195; Tomori and Fajana, 1971, 138)

Agricultural export grew at an average annual rate of between 4-6 per cent between 1960-1967, even as declining world prices for most agricultural commodities yielded depreciation in the value of most exports (Tims, 1974, 213; Onitiri 1971, 239; Eicher and Johnson, 1970, 379). The agricultural proportion of the GDP continued to suffer from the effects of petroleum, government spending and other commerce. At the eve of civil war, agriculture accounted for over 55 per cent of the GDP, which showed an obvious reduction from a 70 per cent high in 1960. Notwithstanding, the sector still accounted for 53 and 49 per cent of GDP (excluding the contributions of the mining sector) in 1970-1971 and 1973-1974 respectively (Second NDP 1970-74, 103; Third NDP 1975-80, 63). Petroleum activities contributed about 2.6 per cent in 1960 and 4.8 per cent in 1965/1966. By 1967, its contribution was about 30 per cent (Scott R. Pearson, 1970, 34).

As Yusufu commented (1996, 59), "it may be concluded therefore that available statistics confirm evidence of rapid economic growth by conventional standards, but very little of national development in terms of improved welfare of the average or optimal citizen, whose per capita real income actually declined..." This goes to suggest that the broad measures of aggregate growth bespeak the underlying dilemmas of structural change in the domestic economy. Significant strides were no doubt made in the expansion of light import-substituting industry (albeit of discriminatory application), the development of domestic finance and the scale and diversity of indigenous entrepreneurship. However, the most significant advances were made in the areas of the private economy dominated by foreign investors, in petroleum, large-scale trade and manufacturing. Indigenous economic activity showed less dynamism and the Nigerian economy remained essentially reliant on primary production. The manufacturing proportion of the GDP increased modestly from 5.3 in 1959-1960 to 7.4 in 1967-1968. It should be noted however that output in the modern manufacturing sector increased more than twenty-fold between 1950-1964, at which time nearly 70 per cent of the equity in the largest enterprises were held by foreign investors (Teriba, Edozien and Kayode, 1981, 23; Kilby, 1969, 17, 20)

It has been suggested that public investment contributed to this growth as imported inputs in manufacturing went as high as 75 per cent (A.N. Hakam, 1977, 161). However, it would appear that the large proportion of imported components in manufacturing negatively affected savings on foreign exchange. Due to the fact that the current account balances worsened steadily between 1960 and 1967, capital and intermediate goods and agro- and allied- industries, all experienced slow growth during the period (Hakam, 1977, 161; Teriba, Edozien and Kayode, 1981, 83). State initiatives did little to change the dynamism in the agricultural sector. Production schemes failed to generate significant increases in output, while processing industries operated at a fraction of their capacity. It is also noteworthy that efforts to assist smallholder agriculture failed to effect changes in technique, just as it failed to enhance productivity. The novel resettlement schemes were no less a failure.

Available quantitative data suggest that, with few exceptions, the First Plan failed to substantially meet their targets. Under spending and under-fulfillment were particularly acute in the areas of agriculture, industry and communications. According to Yusufu, "in the areas touching directly upon the welfare of the citizens, under-fulfillment ranged from 34.6% in Education, to 63.3% in Communications. The planned primary production capital budget was under fulfilled by as much as 42.8 % and the health sector by 56.3%. With regard to water supply the Federal Government under-fulfilled its estimates by an incredible figure of 63.1% and in health by as much as 71.1%. Only the Northern Region over-fulfilled its target capital allocation for water by 31.8%. All other governments fell short of their budgeted allocation" (1996, 64; Second NDP, 13). However, the government's efforts at certain national infrastructure were relatively successful. The notable success stories were: the Niger Dams project, the extensions of the external communications and the Bornu Extension for the Railway Corporation. The costs of these projects to the government was tremendous; and additional subventions notwithstanding, they operated at heavy loss to the government.

The overall public sector capital formation was also well below Plan forecasts. Public sector Gross Fixed Capital Formation by 1967 was a sixth of Plan forecasts and the public sector never exceeded 40 percent throughout the period (Dean, 1972, 207). Public enterprise did not create substantial employment effects, for by the end of the Plan period, less than 5 per cent of total national employment in agriculture, industry, trade and construction was in the public sector. Activities in the public sector were very impacting on indigenous entrepreneurship by increasing opportunities and capital available to domestic business, even though government productive ventures yielded poor productive and financial returns. Government enterprises accounted for half of outstanding external debt by 1970, as well as a substantial portion of domestic debt (Second NDP, 275, 303).

The reason(s) for poor performance during the Plan period may be attributable to all manners of varied and interrelated circumstances. Even in their relatedness, a few lend themselves to distinctive discernibility. There are issues of planning, formulation and implementation. In the opinion of some analysts, these range from shortage of skilled manpower and prevailing low level of technology; administrative bottlenecks and the problem of inducing the numerous state governments to act in unison and agree on priorities (Ayida, 1977; Ojo, 1985, 145-146; Edozien, 1972, 274-299; Yusufu 1996, 63).

Although these have assumed a recurrent refrain through the various military regimes, there seems as yet to be no viable, consistent policy initiatives to seriously address the problem. Indeed the Federal and the regional governments evolved no rigorous, sustained standards of determining economic priorities and project viability. Most ventures were not only determined *ad- hoc*, they more often than not lacked feasibility studies that were realistically grounded. Ventures were undertaking more as a function of party patronage and the realizable quantum of kickbacks, with absolutely no regard to the quality or currency of the technology. The result was that extremely high and inflated projects were executed with outmoded and, often times incompatible machinery, resulting in waste and loss of development funds to private individuals (Kilby, 1969, 79).

Also inappropriate factor mixes which allowed for overstaffing, especially at the lower skill levels, and over or under installation of capacity affected productivity. As

Teriba (1966, 248) would note, many agricultural ventures suffered from labour shortages due to poor siting or compensation policies. The plantation schemes have been noted for poor land management, resulting in the case of mechanized farms incompatibility between technical requisites and the pattern of the dispersed plots. It was also a common feature that many firms were highly liquid, leaving assets idle and susceptible to misappropriation, or heavily leveraged, leaving the company in financial straits at inception.

Another problem was managerial incompetence and unsuitability, which was compounded by over dependence on government funding. Both of which allowed for political interference in management and executive appointments (NPA Commission of Inquiry Report, 1968, 31). There was no discernible and effective line of communication and apportionment of responsibilities among members of Board of Director (usually political appointees) and the Chief Executives and indeed, there existed few procedural or practical limits on legislative and ministerial interference in the daily affairs of the enterprises (Sessional Paper No.7, 1964; NPA Commission of Inquiry, 1968, 6-7).

Lack of effective supervision by government of the multiple and, sometimes, simultaneously executed projects was an added problem. Dearth of skilled manpower compounded by partisan interventions created a palpable disconnect for the meaning and essence of state initiatives in economic and market development. According to Rimmer (1981, 48) "the ability to command resources at public disposal remained the highest political good in these early years of Nigerian independence ...precisely because development was understood to be the main business of government, it could not be insulated from politics. Questions of how to increase production were not perceived to be factually separate from questions of who was to benefit; the stakes were too high".

The overall picture that emerges from the foregoing reflects a completely, dis-enabling market creation environment. One that would persuade Gavin Williams and Terisa Turner, to comment: "There was a clear contradiction between the politics of commercial capitalism in Nigeria and the policies required for the development of capitalist production" (1978, 149-150). All of which is not to suggest that within these apparent inconsistencies there could not possibly have emerged a functional structure to serve the purpose for regional or even national definition of market and economic development. For development at core is a perspective, leadership-defined and directed phenomenon, with no universally acceptable uniform route of attainment. Neither are there any reliable measure(s) of (market or economic) development that are not abstractive and rather dependent on relatable variables, amidst peculiarly intense competition for attainment. This is especially the case in the diverse regional political and economic arrangement, compounded by military intervention, where well-being was less a national focus but more a regional preoccupation; and determined by resource accessibility to the competing regional elites. The question, which naturally arises, is whether some "good" could emerge form a rapidly evolving national process, which could be characterized as tentative processes of Nigerian market and economic development and perhaps the subsequent emergence of a durable institutional framework and rule, albeit imperfect. According to some opinions, corruption and patronage (the hallmark of the process in Nigeria) have historically accompanied the emergence of seemingly stable, autonomous (*and perhaps, effective and productive-- inclusions mine*) business elites and effective administrative machinery (Bienen, 1971; Alexander Gerschenkron, 1962; James Scott, 1972).

Much as the political and public sector organization during the short-lived civilian regime (and Plan period) were characterized by corruption, mismanagement and instability, ostensibly prompting military intervention, what really was the true state of the entity called Nigeria? Was the military any more institutionally prepared for leadership than the civilian administration they displaced? At the inception of the civil war the military, like the rest of the society of which they were a constituent part, was fragmented and suicidally politicized, and they inherited an equally volatile, fragmented and dangerously politicized, even if more corrupt and inefficient public sector. Not to mention a hopelessly dependent and mismanaged economy. Apart from restoring the integrity of the nation-state, theirs would also require the capacity to articulate, formulate and implement a viable and enduring market and economic development framework, one that could be measured against the background of all available resource capacity of the country.

CONCLUSION

To have the desired economic development outcome, planning ought to be national in orientation and emphasis, in order to achieve some kind of uniform realization. However, due to the federal character of Nigeria, and the very significant and near-autonomous participatory initiatives, many homegrown, of the various regions, with their particular thrusts and focuses, that could not be achieved. Indeed some of the exercises/processes were political patronage and diametrically at variance with economic development or federal emphasis on market enhancement at any given time. The result was that coherent and coordinated implementation was always difficult, if not impossible to attain. This state of affairs was no different even under the military administration. In any case, to the extent that development for the overall benefit of the citizenry could not be accomplished within federal or regional isolation or disparate implementation, the failure was gravely impacting. In addition, deliberate misapplication mismanagement and corruption may have compounded the dearth of data, and lack of implementation capacity. Notwithstanding, government's selective participation in the process is still considered indispensable.

CHAPTER FIVE

THE MILITARY AND THE CREATION OF AN ENABLING MARKET ENVIRONMENT

INTRODUCTION

It would appear that very early in the process, critical consensus emerged, even from military governments' perspective, as to the appropriate role of government in the essential creation of an environment, sufficiently enabling, in the attainment of market and economic conditions, that could sustain acceptable levels human development (Gowon, 1974; Buhari, 1984; Babanginda, 1986; Abubakar, 1998). This chapter seeks to not only evaluate the underlying rationalization, but to determine the level of such attainment in Nigeria.

With the current state of economic situation in much of the Third World, the question of course is, what role, if any, should the state play in the overall market and economic development of the State? The role of the State in any country's development is without question indispensable. One of the most pivotal roles of the state is the creation of an enabling economic and market environment, which ultimately, like a rising economic tide "lift all boats". The state is said to occupy a central and unique position in marshalling capital, establishing institutions, regulating markets and fostering entrepreneurship (Thomas M. Callaghy, 1988; Paul Kennedy, 1988; Dietrich Rueschmeyer, and Peter Evans, 1985). In the 1960s and 1970s, a number of countries in the Third World achieved impressive records of economic growth and diversification, including the emergence of a vigorous self-sustaining industrial capacity. By the end of the 1970s, it was apparent that structural transformation and endogenous development were possible in diverse nations of the Third World, and there emerged a widespread recognition of the strategic role of state action in fostering capital accumulation and growth in the developing economies. The importance of the developmental role of the nation state in contemporary Third World can be evaluated from the experiences of the Newly Industrializing Economies (NIES). The so-called East Asian "Gang of Four" (Hong Kong, Singapore South Korea and Taiwan) experienced rapid expansion of export manufactures and the development of sophisticated capital goods industries. Countries like Brazil and Mexico, often counted among the NIE fold, combined export growth with import substitution strategies. India, which essentially evolved import - substitution industrialization, among other technology-based capabilities has, like the NIEs, shown relative success in deepening their productive structure to achieve greater integration within sectors, linkages between sectors, and domestic engines of growth and innovation. Needless to say, these diverse cases have reflected important commonalities, including the appearance of an independent industrial bourgeoisie; changes in the structure of production away from primary commodities and agriculture and toward manufacturing; advances in agricultural productivity and indigenous technological capacity; and the development of substantial backward linkages within the industrial sector.

The nation state's participatory involvement in this process has been widely recognized in the cases of Brazil, Mexico and India, which have emphasized state planning, large public enterprise sectors, and close technocratic supervision of economic policies. The East Asia countries have reflected export-oriented strategies, greater reliance on market mechanisms, close ties with western trading partners and a more targeted and selectively focused nationalist development strategy (Amsden, 1989, 1993;

Lall, 1995; World Bank, 1993). Even the case of Hong Kong, which is supposedly a *laissez - faire* economy, it is apparent that the regulatory presence of state, either in the form of guarantee of the rule of law, or what Alvin G. Wint (1998, 281) calls "functional interventions" or "selective interventions", in providing an essential stabilizing framework for the achievement of growth, has been crucial. In Taiwan and South Korea, heavy government intervention and extremely discriminatory protectionism served to foster nascent indigenous business classes (Amsden, 1985, 78; Edward S. Mason, Mahn Je Kim. et al, 1980, 293; Shahid Yusuf and R. Kyle Peters, 1985, 9).

A comparison of these diverse experiences prompts consideration of the possible commonalities, which condition or predicate statist development strategies. The apparent success of these emerging economies reflect the emergence of a comparatively sustained and coherent strategy of economic development focusing on capital formation, the deepening of production, the diversification of output and the organization of social groups around production. The existence of a "project of accumulation"[1] guiding state policy is a crucial feature of such strategies. Such a project which is said to be pursued by a relatively coherent and stable state elite, also embodies consensus around an ideology of development and is organized around certain strategic elements such as planning and critical public interventions (Bertil Walstedt, 1980; John Waterbury, 1983).

ENTERPRISE DEVELOPMENT: THE ROLE AND FOCUS OF THE STATE

During the late 1970 and 1980s, development theorists focused on the role of state in the development process. State-centric analysis emphasized the primacy of political factors in development, the potential autonomy of state actors in promoting domestic accumulation and structural change; and the crucial importance of a coherent and effective set of governing institutions and state elites (Skocpol, 1979; Evans, Rueschmeyer and Skocpol, 1979; Zaki Ergas, 1987). This theoretical trend also stressed the significance of institutional design, the content of government policy and the context of policy implementation. The dimensions of state building and the possibilities and constraints on "effective intervention" constituted central concerns for many analysts during the period (Rueschmeyer and Evans, 1985; Basu Prahland, 1994; Stiglitz, 1996; Wint, G. 1998).

This new emphasis superseded a number of earlier focuses in the study of development (Atul Kohli, 1986). State-centric theories represented a corrective to modernization approaches which focused on social and economic processes but tended to disregard or de-emphasize the autonomous role of political action and institutions (Cyril Black 1966; Rostow, 1960). State-centric analysis drew upon the tradition of political development, which was concerned with issues of state power, governance and institution building, but statist analyses amended significant gaps in the political development literature by focusing more clearly on economic issues and policy questions (Huntington, 1968; Huntington and Almond, 1987). However, most theorists stressed the possibility of achieving genuine and sustainable indigenous development under state tutelage, and the potential efficacy of domestic actors in the pursuit and attainment of development (Evans, 1979; Amsden, 1989; Stephan Haggard, 1990).

By the 1960s and 1970s however, the relevant focus had become the role of the state in economic development as many of the hitherto colonized countries were attaining independence. The exit of the colonial governments and the need to maintain a semblance of government or administrative regularity compelled a tremendous expansion of the role of government in much of developing countries. State development strategies were implemented throughout the Third World during these periods. However, by the beginning of the 1980s, scholarly consideration of the role of state developed simultaneously with an emergent critique of state intervention in the economies of developing countries. There was both the recognition of the criticality and deficiencies of state tutelage and intervention ("Berg Report" World Bank, 1981; Stiglitz, 1996). Indeed Miles Kahler (1990) criticized state economic intervention in the developing world, as he called for divestiture, reform and a return to market forces. Apparently, events in developing countries and the sensibilities of the neo-classical counter-revolution school of thought in the developed countries prompted this whole criticality of the role and participation of the state. The collapse of many African economies, and the emergence of a widespread debt and investment crisis throughout the Third World, led to a reassessment of state regulations, the scope of public expenditure and failings or inefficient state enterprises. The Reagan and Thatcher governments in the 1980s in the United and United Kingdom respectively expressed strong anti-statist proclivities through domestic privatization, as well as political influence on multi-lateral organization and bi-lateral aid. Some theorists of like-mindedness no doubt supported this position (Peter T. Bauer, 1984; Deepak Lal, 1985; Ian Little, 1982). These initiatives exerted considerable pressure on donor organizations, aid recipients and highly indebted countries. Such leverage in the international arena inevitably compelled a wave of state-sector reforms and nominal privatization throughout the developing countries during the latter part of 1980s and early parts of 1990s.

Analyses of state developmental roles have encompassed a wide variety of strategic, institutional and policy features. Scholars and practitioners have variously stressed the critical role of the state organization in industrialization, the significance of developmental ideologies, the importance of trade and pricing issues, the consequences of rural-urban policy biases, and the strategic position of state-owned enterprises and government regulations. In recent years however, there has been a general proliferation of literature on the politics of economic decision-making, policy implementation, and the performance, reform and divestiture of public enterprise in many areas of the developing world (Nicholas Van De Walle, 1989, 601-615). Interestingly, recently literature on Africa has reflected a strong focus on agricultural issues and state intervention in rural development (Robert Bates, 1981; Carl K.Eicher and John M. Staatz, 1984; Naomi Chazan and Timothy M. Shaw, 1987; Bruce F. Johnston, 1986). Nonetheless, this new focus is not immune from the general weakness that impact African public sectors since agricultural development was also affected by general crisis in the sub-region. Indeed, since many public enterprises are involved in agricultural marketing, credit, inputs and rural infrastructure, the failure of public enterprise itself constitutes a significant cause of poor agricultural performance. Several existing studies provide a good picture of the operational causes and economic consequences of public enterprise failure in Africa, yet little attention has been devoted to the political roles of public enterprises and the political context of state sector reform.

PREREQUISITES FOR STATE-LED DEVELOPMENT

The idea of a project of accumulation points to specific qualities of state structure, which facilitates development. According to Evans (1990) statist patterns of late development requires both autonomy and capacity. State elites must share an articulate developmental vision, and they must possess the cohesion and independence to sustain a set of policies in the face of diverse pressures or resistance from particular elements in domestic society and the international arena. It is also crucial that the state apparatus as a whole must be capable of undertaking the complex and protracted tasks of implementation: bureaucratic agencies must function with a modicum of efficiency and effectiveness; informational and regulatory functions must be well developed; state enterprises must fulfil minimal productive and service roles, and state implementers must be responsive to changing market conditions and policy directives. These "prerequisites" for state - led development serve to frame an analysis of the economic role of the Nigeria State. On the one hand, it is argued here that state elites (predominantly military leadership) in Nigeria have not clearly articulated or consistently pursued an autonomous project of accumulation. Besides, the state apparatus has lacked the coherence, institutional effectiveness and necessary linkages with civil society to realize such a project. While formulating a nominal policy of state capitalism, appearances have been at variance with capacities in the case of Nigeria.

State expansion in Nigeria was not guided by an articulate strategy of state capitalism; neither did any coherent program of state-led economic reform hugely inform its structure. Besides, the Nigerian state lacked the administrative and technical capacities necessary for implementing effective implementation of economic development initiatives (Yusuf, 1996; Ekekwe, 1985). The convergence of poor institutional capacity and low state autonomy yielded ineffectual and even ruinous policies. The pattern of state intervention in Nigeria has essentially impeded the types of social and economic changes implied by state capitalist goals as state institutions and public resources are diverted to a host of separate, conflicting, contradictory and even corrupted ends (Anunobi, 1992; Yusufu, 1996; Adebayo Olukoshi 1989).

PUBLIC ENTERPRISE IN NIGERIA: ORIGINS, SCOPE AND PERFORMANCE

As in most developing countries, public enterprises have played an indispensable role in the economies of African countries. Indeed Africa's political and economic evolution has been driven largely by private trade and business activities; heavily influenced by the activities of colonial traders. The key facets of these economic activities have persisted to this day. Amongst them were the emphasis on natural resource exports, particularly minerals, plantation-based agriculture and associated commerce in imported consumer goods. The region also featured a close interaction between government and business, which led to the licensing of monopolies, the creation of trade restrictions, and the dominance of formal economic activity by large-scale foreign-owned firms. In addition, the colonial period saw heavy government regulation and control of many spheres of economic life. The state and nature of the relationship between countries in the sub-region and their ex-colonial masters very greatly influenced and affected the pace and structure of economic development. Although independent, these countries were still tied to the apron strings of their colonial masters in what became a patronizing colonial-based region of economic spheres (of influence) without meaningful sub-regional economic integration and co-operation. A situation further compounded by the fierce and sometimes brutal competition among colonial powers (Britain and France) to retain absolute and unfettered monopolistic and sometimes neo-merchantilist control over trade and other economic activities in their respective sub-regional territories (R.K.A

Gardiner, 1976, 92; Ekekwe, 1985, 58, The Washington Post, August 31, 1997, A26). According to Gardiner (1976), African economic structure and activities were greatly influenced from the outside. He contends:

> "A significant difference between Africa and other parts of the world is that the modernization of African economies was initiated by the colonialists. In Asia, Japan secured to herself the initiative to adopt and adapt modern economic organizations and technical skills to the physical and sociological conditions of its country and people. In varying degrees, one notices the importance of this factor in conditions in China, India and most of South-East Asia. Latin Americans were able to throw off the colonial yoke much earlier, but some of the feudalistic aspects of the economies can be attributed to the fact that the states were colonized and settled by aliens. In the case of Africa, foreign dominance until recently - a little over ten years ago in a number of cases-deprived the inhabitants of the opportunity to exercise political and economic options which would have influenced the pattern of their economic and social development..."(1976, 90-91).

At independence therefore, African states generally inherited low levels of economic development, weak indigenous business classes and urgent popular demand for public services. Most governments embodied socialist and/or nationalist ideologies, and they were strongly influenced by the statist tendencies inherent in colonial rule. New regimes (civilian or military) seeking to consolidate power had compelling incentives to expand their legal prerogatives and their control over patronage. Such diverse motives fostered assertive government economic intervention and the rapid expansion of state sectors (John Nellis, 1986; Leroy Jones and Edward Mason, 17).

Economic statism throughout most of Africa reflected an inherent paradox, in that public tutelage was undertaken by states with poor resource bases, sparse expertise and weak administrative capabilities. Moreover, the political goals of state intervention typically contradicted the requisites of acceptable economic performance. The divergence between responsibility and capacity, and the political context of planning, management and control, led in most instances to poor performance within the public sector (Richard Sandrook (1985). The rather dependent significance of state institutions and resources, in turn, fostered economic stagnation and decline. This pattern has been evident in Nigeria. This route Nigeria has taking to development is distinguishable from most other sub-Saharan African states by reasons of the enormous, yet unstable windfall derived from oil wealth. The oil boom facilitated a rapid and massive increase in the size of the state sector. The sudden arrival of abundant resources also fostered a corresponding rise in illicit activities, heedless spending and capital flight. During the peak years of the boom period, easy access to foreign exchange and public revenue tended to veil the poor performance of state enterprise and, more generally, the distorted pattern of growth throughout the economy (Richard Joseph, 1978, 221-240; Anunobi, 1992, 134-147; Gamaliel Onosode, 1993, 61). When the waves of oil wealth receded, the structural weaknesses of the Nigeria economy were rapidly exposed, revealing structural crises and extensive failure throughout the public sector (Peter Olayiwola, 1987, 139).

Nigeria's public enterprise sector is perhaps the largest in sub-Sahara Africa. As a matter of fact, since the colonial period, the public sector has assumed diverse and strategic developmental roles. During the 1970s, successive military governments, prompted by ambitious economic nationalist objectives and abundant public revenues, promoted an enormous expansion in the size and scope of the public enterprise sector. Public enterprises became the central instruments through which a nominal policy of state capitalism was articulated (the features of state capitalism and Nigeria's divergence from successful state capitalist model are discussed later in this chapter).

The performance of Nigeria public enterprises has not been without enormous problems. The public sector has long been criticized for its inefficiency, politicization, corruption and poor output. These dilemmas have increased exponentially with the proliferation of both coups d'etat and government enterprises. By the end of the oil boom era, the nation possessed a huge, wasteful and unwieldy public sector, presided over by a corrupt and unaccountable military. The investment of billions of naira in public enterprises yielded few dividends and enormous burdens: basic utilities and infrastructure did not function properly; public sector efforts in industry produced extraordinary waste, growing deficits and scant production; and massive capital projects in agriculture offered no fillip to a stagnant rural sector. Public enterprises presented a growing liability to the government budget, and their faltering performance constituted a central factor in Nigeria's economic decline during the 1980s.

Because of its operational antecedents, the failure of public enterprise in Nigeria has been apparent for more than thirty years. Several government-instituted commissions of inquiry have offered detailed and seemingly thorough analyzes of the problems within the pubic sector. However, these have not been followed by effective reform either within individual firms or across the sector as a whole. The onset of Nigeria's economic crisis in early 1980s, in part prompted the military coup of General Mahammadu Buhari, which was thought to be "reformist". However, the reforms the administration introduced produced a mixed bag of results; for no sooner had some of their policies been in place than the administration being supplanted by the seemingly more orthodox regime of General Ibrahim Babangida. The continuation of some of these policies has, by the end of the decade, beginning to gain momentum, even as issues of economic revitalization remained critical and unresolved. The question of course is how far-reaching were these measures. It would appear that the reversal in the nation's economic fortunes was not forthrightly confronted, partly because of inadequate policies, but largely because of the guided expectation that the downward trend in the world oil market would be short-lived. By 1985, Nigeria faced a very serious economic crisis. GDP had fallen 15 per cent than it was at the beginning of the decade, and real per capita income and domestic consumption had dropped well below levels of the early, 1970s (World Bank, 1991; Egonmwan 1992; Ugorji, 1995; Nafziger, 1997; Naude, 1996).

The truth of the matter however, is that poor performance within the public sector is common throughout African (World Bank, 1994; Kevin M. Cleaver and Gotz A. Schreiber, 1994; Lionel Demery and Lyn Squire, 1996). Due to the fact that this situation appears endemic to a varying degree throughout the sub-region, the other question that is raised is whether they have any correlationship with the prevalence of military regimes within the sub-region. Perhaps related to this (by reason of the number of military regimes in Nigeria thus far) is the scale and persistence of public enterprise failure in Nigeria. Without exception, the public sector has presented a picture of unmitigated disaster and unrelieved failure spanning three decades. The arrival of abundant revenues and the presumptuous sense of superior skill and experience within the Nigerian civil service, highlight the shortcomings in the public enterprise performance. The record of Nigeria's public sector vis-a-vis the creation of a market environment (reform) prompts a number of pertinent questions: 1) What factors have engendered the growth of the public enterprise sector? 2) Why have these enterprises performed poorly, so consistently? 3) Why has the public enterprise sector proved so impervious to reform?

The attempt to answer the questions raised necessarily reveal the failure of the creation of a market environment in Nigeria. For implicit in the pubic sector development process and explicit in the creation of a viable market environment is the notion that the successful implementation of the former would necessarily precipitate the development of the latter. What is evident however, is that norm of strategic distribution rather than norms of production and accumulation have driven state intervention in the Nigerian economy. The *raison d'etre* of the Nigerian state has been to construct legitimacy and preserve regime stability through the manipulation of the instrumental linkages between state and society. Moreover, the military and other domestic elites have relied upon state resources and authority as essential means of mobility and sustenance. The state has been the source of wealth and opportunity throughout the economy since the late colonial era, and the accumulation of resources within the state sector has focused contention over access to the state (Barbara Callaway, 1975, 117). Consequently, state enterprises have served as avenues for the distribution of public resources of the distribution of the public resources to diverse communal and particular interests. These imperatives stand in direct contradiction to effective public sector performance and the more general achievement of state-led accumulation and capacity creation.

STATE CAPITALISM AND NIGERIAN DEVELOPMENT

Perhaps as part of their colonial legacy and post independent economic attachment, Nigeria's successive governments, civilian and military, have subscribed to a "mixed economy" model of state-led capitalist development. The nation's development strategy and thrust, embodied in the various post - independence constitutions and national development plans [2] processes, have reflected a strong, even if in practical terms, nominal commitment to private sector development (Crawford Young, 1982, 220; M.E. Blunt, 1977, 77, 80). Which meant that the state has always encouraged private sector activity, and has attempted to foster a domestic business class within the permissible constrains of an apparently uncoordinated process implementation. It is also the case that state elites have been ambivalent about the role of the private sector, especially the accommodable level of foreign participation in that exercise. As a matter of fact, Nigeria's policy-makers are continually torn between, on the one hand, the need to satisfy the demands of the formal business sector and, on the other, the short-term requirements of a powerful elite that has grown increasingly accustomed to a steady flow of government contracts and project-related import opportunities. Also acting as a brake on reform and liberalization are the demands of older-generation proponents of state economic management. They still form an influential part of the economic nationalist lobby that is determined to resist any surrender of Nigerian national assets to foreign ownership and control (The Commonwealth African Investment Almanac, 1999, 3).

Nigeria would be said to have experienced three identifiable phases in development strategy since independence. Throughout the 1950s and 1960s the governments economic role was said to be interventionist and tutelary, albeit limited, since it acted as "catalyst" for private sector development by creating physical institutional and financial environment for economic progress (C.O. Ogunbanjo, 1983, 98-100; Rimmer 1981; Sayre Schatz, 1977, 3; Sara Berry and Carl Liedholm, 1970, 76-76; Gerald K. Helleiner, 1966). During the final years of British rule, the colonial government initiated efforts to establish a nationwide economic and social infrastructure, and to foster the emergence of a viable domestic private sector. This orientation did not change significantly after independence in 1960. The civilian administration of Prime Minister Tafawa Belewa (1960-66) did emphasise the development of physical infrastructure and the creation of an institutional framework for economic growth. It was also part of the government's effort to attract foreign capital participation in the economy.

However, the military coup d'etat of January 1966 and the civil war by mid 1966 completely changed the pattern and focus of Nigeria's development. Although the war efforts showed remarkable self- reliance and prudent economic management, it would not be gain- saying to suggest that the increased revenue from crude oil at that crucial time was particularly helpful. At the end of the civil war, the government under General Yakubu Gowon derived its policy guidance from a coterie of senior civil servants, who have become so powerful and influential that they were dubbed "super permanent secretaries" (Super Permsecs). They were said to have supervised the implementation of the set of state - directed, nationalist economic policies embodied in the Second National Development Plan (1970-74) (Peter Koehn, 1983, 4; John F. E. Ohiorhenuan, 1981, 78; Ayida and Onitiri, 1971).

The sudden influx of oil revenue in 1973 precipitated a shift in state strategy from one of the three Rs - Reconciliation, Reconstruction and Rehabilitation - to more ambitious aspirations for rapid capitalist development; essentially a *de facto* state capitalism was in process. In this new dispensation, central planning efforts and regulatory authority were greatly expanded: Public investments increased and diversified as the state moved directly into strategic productive activities. Indeed the state became a central source of growth, accumulation and entrepreneurship throughout the economy. This state - capitalist direction in development strategy coalesced and, if you will, accelerated during the military regimes of General Murtala Mohammed (1975-1976) and that of his successor General Olusegun Obasanjo (1976-1979). It could be said however, that the shift in development strategy was more circumstantial than deliberate thus bereft of any fundamental/ideological and administration direction or grounding, which nonetheless did not lessen its impact.

By the early 1980s, there were indications that the state capitalist strategy was less than a success as the global oil market plummeted and the Nigerian economy went into rapid decline. The extravagance, corruption and mismanagement of the Second Republic under the National Party of Nigeria (NPN) of Alhaji Shehu Shagari, led to its overthrow by the austere "corrective" military regime of generals Mohammadu Buhari and Tunde Idiagbon (Anunobi, 1992, 220). The Buhari-Idiagbon government effected a fundamental re-orientation in strategy, implementing a series of stopgap stabilization measures while avoiding issues of medium - to long - term adjustments. Essentially their immediate focus was to seek to end the debt crisis, curtail corruption (especially in the acquisition and use of foreign exchange), and put Nigeria on the road to self-reliant economic development. In his budget speech in 1984, General Buhari emphasized that his government's objectives were "to arrest the decline in the economy, to put the economy on a proper course of recovery and solvency, to chart a future course for economic stability and prosperity, and to achieve in the long run self-reliant economic development" (Onyema Ugochukwu, West Africa, May 14, 1989, 1009). By August 1985 when Major General Ibrahim Babangida toppled the Buhari government, he also effected a break with the era of expansive dirigism, and the emergence of an essentially neo-orthodox adjustment program (Thomas Callaghy, 1990; Peter Lewis, 1990; Anunobi, 1992).

It is perhaps important at this stage to seek to clarify the strategy of state capitalism in Nigeria's development process, since the word "state capitalism" is a term often used but infrequently defined. The phenomenon has attracted greater attention from Marxist scholars, largely with respect to its implementation in Latin America (John Waterbury, 1983, 17-20; E.V.K. Fitz Gerald, 1983 and 1979, 34-38; Jeff Frieden, 1981, 407-431; James Petras, 1977, 1-17). While applied to a divergent array of actual cases, [3] there is some definitional consensus over its nationalist and class character. The strategy appears as a particular response by certain ruling coalitions in developing countries to the problems of economic dependence and domestic class formation. While presenting a number of implementation problems in the Nigerian context, as discussed below, the applicability of the model to Nigeria's experience seems appropriate.

State capitalism refers to a concerted, programmatic effort by state elites to reduce the power of foreign capital and to foster an integrated and dynamic national capitalist economy. The state assumes greater control of the economy and increases its participation in production, but does not seek to reorder relations of production or to constrain the prerogatives of indigenous private capital. The public enterprise sector, though expanded in scope and diversity, is run predominantly along capitalist lines, as profit - making ventures embodying hierarchical labour relations and managerial organization.

State capitalism represents a "new model of accumulation" in which the state supplants foreign capital and substitutes for a weak indigenous bourgeoisie in key sectors of growth (Fitz Gerald, 19-83, 67). The fundamental state capitalist goals are to limit or usurp the influence of foreign economic forces and to create a framework for national economic integration and endogenous growth. And of course, depending upon the ideological orientation of the regime and the tenor of the state relations with domestic business group, the strategy may also entail efforts to foster indigenous entrepreneurship (James Petras, 1977; Fitz Gerald, 1983, 37). In this instance, the state takes on a dual role: the public sector acts in lieu of an absent or incipient domestic bourgeoisie, while government intervention is also intended to engender a domestic capitalist class. These objectives are often in tension, as contradictions arise between the state's role as substitute and pattern for indigenous capital.

The elite coalition initiating state capitalism typically unites nationalist military rulers, or leaders of a dominant or single party, with technocratic elements in the public sector, especially higher civil servants and public enterprise managers. Populist or socialist ideological programs often accompany the state capitalist endeavour, even though such rhetorical stances do not necessarily indicate a genuine commitment to income redistribution or to popular political or economic organization. Political tensions inevitably arise when the state finds it necessary - in the interests of growth and/or stability - to equivocate its resistance to foreign interests, and to curb the demands of labor in order to obtain better economic performance in the public and private sector (James Petras, 1977, 12-14). The state acquires the presumed advantages of control and profit, as well as the actual liabilities of social conflict, entailed by its position as capitalist.

State capitalism can be seen as a variant of the pattern of state - led development found throughout the Third World. A combination of ideological commitment, organizational form and a class relationship distinguish the strategy. The government's role under state capitalism is not temporary and expedient, but entrenched and permanent. State actors build an extensive, interventionist economic bureaucracy to create large-scale industrialization and to manage the process of accumulation over a sustained period. The indigenous private sector is perceived as a weak and dependent class, requiring strong and enduring state tutelage. State capitalism, like in South Korea, can be contrasted with state-led strategies allowing for greater autonomy on the part of indigenous capital and a more equivocal role for state action (Shahid Yusuf and R. Kyle Peters, 1985; Stephan Haggard and Tun-Jen Cheng, 1987).

The failure of state capitalism in Nigeria may be attributable to three related circumstances: Nigeria has embodied problematic state autonomy and extremely low levels of capacity; the policy environment has been inimical to rational, systematic accumulation; and the corporate forms of political organization have not fostered the emergence of class forces essential to a capitalist social and economic order. Moreover, state strategies have played a direct role in perpetuating a social configuration at variance with the requisites of productive capitalism. The failure of Nigerian state institutions to become effectively integrated in the process implementation within the larger society is mirrored by the permeability of the state to societal (tribal and special interests) pressures and the capture of state institutions by diverse vested interests. The reminder of this chapter shall be devoted to the first two contextually pertinent issues.

PUBLIC-PRIVATE SECTOR RELATIONS IN NIGERIA

What appeared to be the Nigerian variant of state capitalism, though not peculiar to Nigeria in the sub-region, poorly articulated and badly implemented as it were, accorded a dual role to the state sector: as an agent of direct accumulation and growth in the strategic or dynamic areas of the economy, and as a source of patronage encouragement for the indigenous private sector (Sayre Schatz (1997). State enterprises and government regulation were intended to substitute for the vacuum in the indigenous private sector, and to promote the activities of domestic business. State policies had the objective of promoting both capital formation and class formation (Bratton, 1982). Consequently, public enterprises in Nigeria emerged as agents of state capital, and simultaneously as a central support for domestic private capital.

As instruments of state capital, public enterprises were ostensibly intended to increase state participation and possible control over the economy and to generate economic activity by the development of basic infrastructure, heavy industry and agricultural modernization. The state-owned enterprise (SOE) sector was nominally charged with economic self-sufficiency, if not outright profitability, so as to provide an adjunct to the central source of state finance; the rents from petroleum exports. Moreover, the development of the "commanding heights" was expected to generate a diversified and integrated industrial economy. Apart from creating the enabling environment for foreign investment and industry, the belief was that it would further broaden the revenue base for the state. Unfortunately, the illicit diversion of resources from a burgeoning state sector contributed to the development of a private property base among the ruling class: the military and other state elites.

The indigenous business class held an important role in this process. Although weak and fragmented, and regarded with considerable ambivalence by an interventionist state, local business interests nonetheless profited from state sponsored indigenization exercises, and they were intended to play a critical role in the economic growth generated by state investment in basic industries (Thomas Biersteker, 1987). Indeed Biersteker (1987) and Ugorji (1995) believe that the establishment of the Nigeria National

Petroleum Corporation (NNPC) was designed to give Nigeria control of the vital petroleum sector. Biersteker (1987) also contends that, as a result of the Nigeria Enterprises Promotion decree, the pubic sector began to play an increasingly dominant role in the economy. The result of course was that by the 1980s, there were 70 non-commercial and 110 federal enterprise and parastatals in the nation (Robert Dibie, 2000, 16).

Moreover, the private sector provided contractors, suppliers and distributors for state projects and businesses. Indeed extensive and generous subsidies were conferred to the private sector by public ventures in infrastructure, utilities, finance, industrial impute and economic services. Patronage, corruption and the abundant rent-seeking opportunities generated by the state economic intervention provided a bounteous environment for the accumulation of wealth within the private sector. State sector expansion, both formally and informally, provided copious resources to an incipient Nigerian business class, although it did little to engender productive accumulation among this stratum.

Organized private sector interests have not significantly challenged state sector expansion, and indigenous business elites have evinced an essential reliance on state protection, subsidies and transfers. The ineffectual character of Nigeria's dirigiste strategy, while impeding growth and accumulation generally, has nonetheless included domestic business as clients and beneficiaries. Indeed, Ugorji E. (1995, 537-560), believes that in Nigeria private sector profits are not always the result of efficient operation and increased productivity, rather often represent money that private contractors make through inflated contracts, patronage and corruption. As a consequence, a broad domestic coalition, drawn from both the public and the private sectors, has acquired a fundamental state in state-led capitalist development. Adjustment and reform efforts must confront a wide range of resistance, both tacit and overt, within the state and the private sector.

The historical symbioses of state and indigenous capital have altered in recent years as a combination of events and circumstances have compelled change in the status quo ante. One was the insistence of the Bretton Woods institutions and other lending agencies on privatization as a precondition for loans and/or debt rescheduling or debt relief. The other was, and perhaps less of a compelling influence, influential circles within the private sector who were becoming increasingly critical of state economic intervention and the poor performance of the state sector. Private sector groups, and technocratic elements within the government advocated limitations and changes in the state's economic role. The latter half of the 1980s witnessed the advent of direct, if tentative, contention between the government and the organized private sector over the scope and purpose of state economic activity. Much of this contention has focused on the formulation and implementation of privatization policy and attendant liberalization measures.

Sponsored by the World Bank and IMF, the introduction in 1986 of the Structural Adjustment Program (SAP) was designed to create an appropriate policy environment that would promote growth and market conditions. As part of its process implementation, the program called for privatization and commercialization of various entities in the public sector. It was an exercise conceived as a process for reshaping and redefining the public sector, with a view to creating an enabling market environment. The truth of the matter is that between 1986 and 1994 reform efforts were unprecedented in their scope and diversity, even though they did not fundamentally reorder public-private sector relations, neither did they substantially modify the structure and performance of the state enterprise sector. The contentions have been that privatization became an increasingly state-led process. And that the private sector interest generally supported the state's policy initiatives; but that business community did not offer encouragement for government action (Egonmwan, J. 1993; Uchendu, O., 1993; Edoho, F., 1997; Dibie, R. 1999).

THE NIGERIAN STATE AND DEVELOPMENT PROCESSES

Evaluating the developmental role of the Nigeria state, one cannot help but be absolutely flabbergasted by the gap between formal responsibilities and actual capacities. Successive (military) governments in Nigeria have managed increasing domestic resources, a dramatically growing economy and an expanding administrative grid. The scope of governmental authority, and the role assumed by the state, has also burgeoned. Yet the ability of the state to effectively manage its resources, to plan for long-term development or to ensure compliance with its directives, has progressively declined. As a matter of fact, state power has lagged behind the expansion of nominal authority. Indeed it is Richard Joseph's (1983, 22) observation that the Nigeria state is simultaneously "overdeveloped" and "underdeveloped", that is to say, expansive, yet weak. Also in his work on "The State in Post-Colonial Societies: Pakistan and Bangladesh", Hamza Alavi (1972, 59-82) tried to elaborate on the notion of "overdeveloped" state as an extensive administrative/coercive apparatus divorced from, and disproportionate to, its social base.

The dilemmas of state structure and capacity are rooted in the historical process of state formation in Nigeria. The Nigeria state was created under circumstances leaving little elite cohesion, few mature institutions and tenuous popular legitimacy (Richard Akinjide, Vanguard, July 9, 2000). The state apparatus has been plagued with fragmentation and instability. Communal divisions structure Nigeria politics, and diverse social cleavages suffuse state institutions. Experiences with civilian administrations (which have been few, two in fact) and military administrations (which have been many, seven in fact) have all failed to build non-tribal based political organizations, or to foster adherence to nationalistic identities and ideologies. Moreover, state elites have not effected durable consociational accommodation, or corporatist subordination of social groups (Richard Joseph, 1987).

Nigeria's governing elites and institutions have reflected perduring dilemmas of factionalism, insecurity and comparative weakness. The state possesses minimal internal cohesion and a highly contingent authority over civil society; such authority may be said to have eroded in recent years during periods of political and economic crisis. Ruling strategies have placed emphasis on patronage and material inducement as a cohering element in the Nigerian polity, yielding a precarious basis of domination in the context of fiscal instability. The persistent generalized struggles over the control of state instruments and the disposition of public resources have been consequential for the pattern of economic policy, as well as the fortunes of state formation.

Four aspects of state performance and structure have been especially consequential for Nigerian economic development: first is the problematic nature of state autonomy in Nigeria; second, the instrumental character of state legitimacy and strategies of compliance; third, the deficiencies of administrative development and technocratic leadership; and fourth, the weakness of the state's extractive and allocative mechanisms.

The Nigerian state has embodied the basic and enduring paradox of substantial autonomy and great permeability *vis-a-vis* societal interests. Although state elites have experienced wide discretion in formulating pubic policy, societal pressures and elite factionalism have constrained state prerogatives in pursuit of a sustained strategy of economic development. Relative state autonomy derives from a variety of factors: the independent fiscal bases of the state in external trade and foreign sector of the economy; the prerogative of military rule; the expanded administrative and economic roles of state institutions; and the weak bases of social cohesion and political organization among potential class strata. Unhindered by democratic organization or concerted pressures from below, Nigerian governments, especially the military, exhibit considerable latitude regarding the disposition of particular group interests.

At the same time, state elites and state organizations have been highly susceptible to multiple, immediate and particularistic demands on policy and resources (Richard Joseph, 1983, 21-28). State autonomy has been compromised by the tenuous nature of popular legitimacy and regime stability; the fractional character of military rule and the intense competition of civilian politics; the weak basis of state institutions for obtaining compliance; the interpenetration of "state" and "societal" interests; and the enduring identities of ethnicities and kinship within and between state personnel and the wider society.

The dilemma of state legitimacy in Nigeria constitutes a distinct, yet related problem of state efficacy. Lacking, as it were, a strong normative basis for compliance and cohesion, the Nigeria state has been heavily patrimonial, and clientalist relations with societal interests have provided the framework for political domination (C.S. Whitaker, 1984; Thomas Callaghy, 1980; Zaki Ergas, 1987). The instrumental nature of the patrimonial governance has yielded an arbitrary and profligate use of resource. The decentralization of patrimonial rule weakens state cohesion. Moreover, instrumental inducements exist as both cause and effect: the persistence of patrimonialism serves as an impediment to the emergence of other forms of legitimacy (Otwin Marenin, 1987).

Administrative and managerial capabilities with the public sector have remained extremely weak. Nigeria has consistently lacked a substantial cadre of public sector technocrats to provide reliable, competent, politically neutral economic management, and an effective bureaucracy to execute policy directives. The Nigerian bureaucracy has been unable to provide routine, comprehensive or effective administration. The legal and regulatory machinery, and the key elements of the economic bureaucracy, has not effected stable and coordinated tutelage. The operations of the significant components of a functional government--- customs, the Central Bank, the Judiciary, Licensing and other regulatory authorities, ministerial offices and pubic enterprises --- are irregular, capricious and typically venal. These circumstances are especially consequential in the light of the vastly expanded jurisdiction of such agencies and institutions.

The rather arbitrary character of bureaucratic performance poses a fundamental constraint to state-led accumulation. These conditions, no doubt, impede the effective operations of state economic organizations, and they foster a milieu of conservatism and erasion among private economic actors. According to Richard Sandbrook (1985, 38) uncertainty and bureaucratic intrusion discourage savings, domestic investment, economic risks or long-term ventures. Economic actors seek to maximize liquidity, to expatriate their gains, and to avoid government regulation wherever possible. Indeed there is the constant struggle amongst the participating actors on whether to "voice," "avoid", "evade" or "exit" (Albert Hirschman, 1970;). And evasion or "exit" is an important part of the equation with the Nigerian entrepreneurs as they grapple with the dilemma of compliance with relevant laws and other regulatory provisions. The situation is further complicated by the fact that the state institutions lack both the capacity and authority to induce new orientation and compliance; and are also unable to intervene to correct distortions and gaps in the private sector.

Furthermore, the Nigerian state has reflected relatively weak extractive and allocative capabilities. The difficulty of retaining and channeling state resources has entailed major consequences for both state and private accumulation. The state manages the process of accumulation through direct capital formation, production, financial intermediation, investment and regulation. The rentier character of the Nigerian state has centralized the mechanisms of extraction and allocation, but the structural weaknesses in the state and the nature of state-society linkages have impaired the government's ability to retain and channel the revenue under its control.

Nigeria has been described as a "high absorber" of petroleum revenues, relative to Middle Eastern States, which rapidly recycle their rents through capital export (Michael Watts, 1984; 403-410). This rather apt description of Nigeria reflects the fact that the country seems to completely channel oil revenues into government spending and the domestic private economy. It is also the contention that the Nigerian economy has reflected a shallow and grossly inefficient absorptive capacity, as evidenced in the poor returns on public expenditure, mounting public sector debt, declining domestic performance, low growth rates and the corrupt expatriation of billions (Schatrz, 1984, 47; Peter Olayiwola, 1987, 139). Resources have not been rationally or consistently allocated by the state, neither have they been channeled through productive or market structures capable of utilizing them efficiently.

Government capacities for aggregating and responding to societal interests, drafting and implementing fiscal programs, and indeed ensuring financial discipline have in fact been eroded by the multifarious claims on the state resources. Essentially, diverse interests consequently impacting on the actual extractive capacity of government are constantly draining the state and the economy. This structural conundrum is reflected in the government's persistent failure to draft realistic plans, to enforce plan expenditures, supervise major capital projects, manage public sector expansion, and elicit desired policy responses from the private sector (Olatunde Ojo, 1985, 141-172; T.M. Yusufu 1996, 381-388; S. Tomori and F.O. Fajana, 1979, 141-144).

THE STATE AND ECONOMIC POLICY

State weakness is also manifestly obvious in the policy environment. Nigerian governments have generally been incapable of framing and sustaining a coordinated package of economic policies to facilitate economic diversification and capital formation. This is a problem traceable to a variety of factors, including political instability, dearth of professional cadre, the low implementation capacities of state institutions and unstable fiscal conditions. (S. Tomori and F.O. Fajana, 1979). The advent of oil wealth provided a fiscal safety valve to state planners, essentially reducing incentives for effective policies of growth and diversification (E.O. Akeredolu-Ale, 1974, 71).

It is noteworthy that Nigerian governments have subscribed to a fairly consistent set of policy goals since independence (Yusufu, 1996; Adebayo Adedeji, 1971, 101). Indeed moving from the specific to the general, and approximately from earlier to later objectives, they are growth; import substitutions; redistribution, which is often stated in socio-economic terms, but substantially treated in geographic and communal terms; balance growth, both sectoral and geographic; and during the past twenty years, an increased emphasis on national sovereignty and control (Wolfgang Stolper, 1966, 52; Peter Kilby, 1969, 23-24; Henry Bienen, 1981, 140; Second National Development Plan, 1970 - 74, 32-33; Third National Development Plan 1975-80, 29 - 30). Nationalism has been a potent ideological force in Nigeria, but socialism has existed as little more than rhetorical flourish (Blunt, 1977, 74). Socialist ideology and prescriptions have not held a significant place in federal policies, although populist programs have occasionally been pursued in particular regions or states (especially during military administrations because of the unitary, hierarchical structure of military governments). The continuity of broad objectives in Nigeria's development strategy is contrasted by the erratic and contradictory nature of specific policies.

Nigeria economic policies have been marked by improvisation and inconsistency. This is partly attributable to the vagaries of state revenues and partly attributable to political factors (Schatz, 1981, 35-40; Ojo, 1985, 145-147). The recurrence of regime change and factional contention create a political environment prompting leaders to emphasize short time horizons, rapid and often symbolic gains in economic policy.

Military leaders, while showing greater ability and resolve than civilian administrations at resisting special interests pressures, are nonetheless susceptible to diverse social and political pressures. Prior to the late 1980s, for example, Nigeria military regimes have been unable or unwilling to implement corporatist strategies or politically unpopular economic adjustment programs. Civilian rulers and bureaucrats have been guided by conditions of uncertainty; considerations of political expediency and anxieties over personal tenure typically override the long-term development objectives of state policy.

EVALUATING POLICY OUTCOMES

Processes and procedures, including planning documents, in Nigeria have become progressively more detailed and comprehensive, but they have only been loosely indicative of actual policies and expenditures (O. Akin-Aina, 1984). Political, administrative and fiscal instability have produced frequent and unanticipated shifts in Nigerian economic policy. These changes include abrupt alterations in planning and budgetary programs, unexpected revisions in public finances, arbitrary modifications and reforms of the legal and regulatory framework, and perennial changes in the institutional environment. Adjustment to fluctuating revenues has been slow, and state planners have not reacted promptly to poor performance or unintended outcomes (Olayiwola, 1987, 139; Watts, 1984, 408; Schatz, 1981, 36-37).

Economic policies have been internally inconsistent as well. The political coalition contending over state resources has supported economic policies reflecting a consumption bias (encourage trade over production) and urban bias (Willie Okowa, 1985, 71-88). Over-valued exchange rates, restrictive and vacillating trade policies, and government expenditures on imports have fostered the provision of cheap goods to urban areas and economic elites, while aggravating intra-urban inequalities, rural- urban differentiation, and national dependence on external capital and goods (Bienen, 1981; Johnson O. Odufalu, 1981). These broad policy trends contravene both general planning goals such as balanced growth, and particular short-term objectives such as agricultural revitalization, inter-sectoral linkages or more equitable income distribution.

CONCLUSION

There is also a grave dilemma in economic policy discrepancy between policy objectives and implementation capacities. Nigerian governments have repeatedly embarked upon ambitious and far-reaching policies without possessing the institutional machinery for implementation (Schatz, 1977, 48 - 50; Ojo, 1985, 141-147). This has especially been so in the cases of indigenization, the proliferation of public enterprises and capital projects during the oil boom and more recently, privatization. Ambitious public sector expansion has partially been a product of confidence prompted by growing revenues, but the insecurities derived from state weakness have provided a more basic motivation for leaders to extend state prerogatives (Callaghy, 1987, 88; Stephen Krasner, 1985, 11). The self-interest of state elites attempting to maximize their own resources and prerogatives has also been a major factor.

These vested-interest concerns, as well as an invertebrate distrust of market mechanisms in a dependent economy, have induced many administrations to emphasize physical controls on trade and foreign exchange over market instruments; fiscal over monetary controls, direct intervention rather than indirect regulation or price incentives (Michael Watts, 1984, 405; Robert Bates, 1981, 113-114). The drive for greater authority and control has paradoxically weakened the effectiveness of state policies and capacity for implementation.

Explaining public sector programs have been delegated to a state apparatus possessing inadequate executive capacity, and resources have been channeled through an economic infrastructure lacking the markets, institutions or physical plant to absorb them (Edwin Dean, 1972, 151-153; Schatz, 1977, 47-55). Fiscal instability has hampered the state's capacity to see through expenditure programs in a consistent fashion. Precipitous increases in the demands on public institutions have frequently overwhelmed bureaucratic faculties, leading to haphazard and incomplete implementation of major programs [4] (Stephen A. Quick, 1980). The resultant dispersal of authority and resources further weakens state capacity to effect economic change.

Instability and incongruity in the policy environment compound the uncertainties of capricious administrative performance. These pervasive alterations in the economic landscape reinforce the aversion of private sector interests to substantial, enduring commitments to investment and production. The sense of insecurity faced by economic actors has encouraged, if not necessitated, behaviour detrimental to the process of accumulation and investment. Moreover, elements of state structure and elite composition have engendered patterns of public policy inimical to a productive transformation.

ENDNOTES

1. See Peter B. Evans, (1990), “Predatory, Developmental and Other Apparatuses: A Comparative Political Economy Perspective on the Third World State”, Department of Sociology, University of New Mexico, Working Paper No 11, 1990. It should be noted that such “project” is also associated with countries other than NIEs, and that the existence of an identifiable productionist strategy does not guarantee the dramatic rates of growth and structural change that have occurred in more successful models. The examples of Egypt and Turkey help illustrate this point.

2. Following the independence constitution in 1960, Nigeria has had five other constitutions in 1963 (Republican); 1979 (General Obasanjo) 1991 (General Babanginda); 1998 (General Abacha); and 1999 (General Abdulsalami) It has also implemented various national development plans (NDP) First NDP (1962-1968); Second NDP (1970-74); Third NDP (1975-80); Fourth ND) (1981-85); and The Structural Adjustment Program (SAP) Years; Post- 1985.

3. There appears to be agreement that Peru (after 1968), Brazil (after 1964) and Mexico represent classic examples of the strategy. E.V.K. FitzGerald apparently regards South Korea as a model as well; See his article: “State Capitalism in Peru: A Model of Economic Development and its Limitations”, P 68. Waterbury, op. Cit., makes an argument for its applicability to Egypt (after 1957), even as he

raises the issue of definitional precision. However, the term seems to have acquired expansive accommodatibity. Petras includes Libya, Algeria, Ethiopia and Venezuela in the state capitalist fold, a breadth of coverage, which seems somewhat indiscriminate. Sayre Schatz, in Nigeria Capitalism, makes passing mention of "state capitalist tendencies" in Nigeria development strategy during the late 1950s and early 1960s. Richard Sandbrook observes, "In Africa, the typically large dimensions of the public sector suggest that the prevalent approach is best described as state capitalism" Sandbrook (1985), "The Politics of Africa's Economic Stagnation", Cambridge: Cambridge University Press, pp 10 and 33.

4. In his "The Paradox of Popularity: 'Ideological' Program Implementation in Zambia", Quick details how at the intersection of political urgency and bureaucratic weakness dilemmas for implementation are created.

CHAPTER SIX

MARKET AND ECONOMIC DEVELOPMENT 1966-1975

(UNDER GENERAL YAKUBU GOWON)

INTRODUCTION

Notwithstanding the apparent, consecutive military government's consensus on national economic and market development policy thrust, it is necessary to indulge an evaluative assessment of the different regimes in order to determine both consistency in the professed policy thrusts and goal attainment; and hopefully, to glimpse from these any commonalities. In the light of the above, it is not therefore unnatural to commence our examination with the Federal Military Government (FMG) of General Gowon (significant first in the line of successive military governments stretching about three decades). [1] His government was one of peculiar origin and circumstances. It wa under his administration that the initial explosion in oil revenue and public expenditure ocurred. The social, political and economic ramifications of which essentially dictated what apparently became a recurring pattern in the development history of the country.

EMERGENCE OF THE GOWON ADMINISTRATION

By late 1965, Nigeria's social and political system was at breaking points. Ethnic and regional conflicts, which had been growing over the years due to communal and distributive tensions, came to a head in the coup d'etat of January 15, 1966. Although unsuccessful, in the sense that it failed to install the coup leadership of Major Chukwuma Nzeogwu (the leader of the putsch), it still brought about a military change of government under the leadership of Major-General Johnson Thomas Umunakwe Aguiyi-

Ironsi. The comments of the coup leader (Major Nzeogwu) in his maiden speech reflects the prevailing national sentiment at the time:

> "Our enemies are the political profiteers, the swindlers, the men in high places who seek bribes and demand 10 percent; who seek to keep the country divided so that they can remain in office; the tribalists, the nepotists, who make the country look big for nothing, who have corrupted our society and put the Nigeria political calendar back by their words and deeds" (Bevan, Collier and Gunning, 1999, 35).

The new military government which emerged may be characterized as a default regime, on account of its non-original coup initiation and participation, was headed by the most senior military officer, himself an Igbo. An occurrence which, although may have heightened ethnic tensions between the regions, did not in any way diminish the enduring perception that the sacked politicians were a bunch of corrupt, fraudulent and authoritarian leaders (Robin Luckham, 1971, 39-41). In May of 1966, General Ironsi's government decreed the abolition of the regions and the promulgation of a decree establishing a unitary state and the unification of the country's civil services, which was until then regionalized. In the meantime, his administration had established various tribunals of inquiry to look into questions of corruption within the public sector. According to some opinions, the circumstances of the coup, the way and manner it was executed, the composition of the original coup plotters, and the military leadership that inherited government, plus the abolition of the region, as a constituent federal structure [2] raised fears of ethic and tribal domination by the Igbos, in an already extremely volatile political environment, edging toward inevitable catastrophy (Claude Ake, 1985, 10,14; Bevan, Collier, Gunning, 1999, 36). In retaliation of the perceived discriminatory killings during the coup attempt, and the seeming imposition of Igbo military leadership, many Igbos were killed in the North.

The pervading level of ethnic mistrust would lead to the counter-coup d'etat of July 29, 1966 in which a group of northern soldiers assassinated General Aguiyi-Ironsi while on official visit to Western Nigeria (Rinehart 1982, 54). Also assassinated in that putsch was a host of other Igbo military officers, essentially dislodging the traditional structure and discipline within the army. The Chief of Staff (traditionally the second in command and the rightful successor to the leadership), who was Yoruba, Brigadier Sampson Ogundipe felt intimidated, marginalized and unable to restore order, he promptly left the country and allegedly resigned his commission. The Northern military officers, who spearheaded the coup, installed Lt. Col. Yakubu Gowon as the new head of State on August 1, 1966.

The Military Governor of Eastern Nigeria, Lt. Col. Chukwuemeka Odumegwu Ojukwu (as he then was) refused to recognize the authority and leadership of Lt. Col. Gowon (as he then was), giving the circumstances and "irregularities" of his ascension. This lingering leadership dispute was compounded by a subsequent massacre of Igbos in the North and which led to widespread call by the Igbos for secession of the East from the rest of the country. The East declared an independent Republic of Biafra on May 30, 1967, citing as part of the reasons, the inability of the Federal government to protect the lives and properties of Easterners; and also of culpability in the genocide (Rinehart, 1982, 56; Pedler, 1979, 223-225). The civil war, which ensured did not fully commence until July 1967. It lasted for thirty months, ending in January 1970.

In the circumstances, General Aguiyi-Ironsi's military government was not only short-lived, it was also not significantly eventful both in political and economic policy initiatives.

MANAGING THE WAR ECONOMY

Managing the war economy was significant both in its policy implications and the dynamisms of its prosecution. Its military, political, economic and international ramifications were huge. One of those critical implications was that the war called for a delicate revenue management prioritization, in view of resource flow limitations imposed by the enclave now called "Biafra". In reaction, and preparatory to formal secession, the Eastern Region, when it refused to recognize the authority of the Federal government under Lt. Col. Gowon, took a number of steps. It promptly appropriated all locally derived revenues, attempted to employ the Regional Marketing Board for direct external trade, as well as seizing control of major public enterprises located in the Eastern region (S.K. Panter-Brick, 1970, 48-49). Because of their location (in the East and Mid-West), petroleum activities were curtailed through much of 1967 and 1968. Also affected were palm produce and food crops production and the region's share of industrial output which accounted for as much as 25 per cent of the nation's total output (Tims, 1974, 24). No less affected were aid and foreign investment, especially because of the availability of petroleum (a major foreign investment attraction) in the conflict zone.

For the Federal government, even more so for the "Biafran" enclave, the choices and challenges were as critical as they were inevitably inhibiting: curtailing domestic consumption and creating new sources of public revenue to augment shortfall from foreign sources, conserving scarce foreign exchange and augmenting or sustaining domestic production. According to some opinions, these goals were reasonably accomplished through a combination of policy initiatives: taxation, fiscal reform, control on foreign exchange, trade and investment (Fajana, 1979, 245).

That the FMG did not recourse to external borrowing to finance the war demonstrated both increased domestic revenue generation and superb practical initiative. Indeed, an elaborate system of trade restrictions was substantially enforced, while licensing was augmented by blanket ban on luxury items. Domestic manufacturing compensated through the addition of second and third shifts, bringing capacity utilization close to 100 per cent in the Federal areas (Second NDP, 1970, 24). The foreign sector was squeezed through increases in company income tax, deferrals of profit repatriation, and greater exactions on the petroleum sector (Tims, 1974, 24).

It should be noted however that during the war, defense expenditure increased more than ten-fold, as public spending in other areas declined. Expenditures on defense, which accounted for only 11.3 per cent and 16.2 per cent of total current and capital expenditures in 1965, accounted for 50.5 per cent and 65.6 per cent, respectively, in 1971. Conversely, current and capital expenditures for economic services declined from 11.6 per cent and 55.8 per cent to 2.7 per cent and 19.7 per cent, respectively, over the same period (Nafziger, 1983, 127-137).

It could be said that at the end of the war in 1970, the economy was not, contrary to general expectation, bartered by the experience. If anything, it was a fairly resilient economy, with scarcely a 10 per cent increase in its external public debt (Tims, 1974). Although agriculture did not perform as impressively, by 1969 manufacturing production and foreign investment had shown great improvements.

Following the end of the war, the FMG under Gowon, either by accident or design created a coterie of senior civil servants who came to be known as super-permanent secretaries.[3] According to some opinions, they wielded ultimate power when it came to issues of economic policy (Peter Koehn, 1983; Ayida, 1987, 252). The dominant role played by these "super permsecs" in the Ibadan Conference on Reconstruction and Development [4] in formulating a post-war economic agenda for the country under the Gowon regime was as revealing as it was cautionary. Their influence was enormous both in its bearing on the formulation and implementation of Second National Development Plan and the policy thrust articulated for the country by this clique under the military administration of Gowon. According to Ayida in his keynote speech during one of those exercises:

> "...it appears unnecessary for Nigeria to choose between private capitalism and public ownership of all means of production and exchange. What is missing in Nigeria today is an outward looking economic nationalism which alone will guarantee the general well-being of the people and generate in all sections of the country collective self-reliance and the will to develop. What is needed is an economic arrangement which will reward skill and enterprise in both public and private enterprise and inculcate in the people a development consciousness..." (Ayida and Onitiri, 1971, 8).

Whether or not this policy thrust, which obviously marked a departure from the civilian administration of Tafawa Balewa, was the most viable at the critical time is still debatable. However, it was significant for its structure formulation and process implementation, under a centralized hierarchical (unitary) military administration, weakened or non-existent competing regional structures or institutions and most importantly, a revenue allocation structure, which vested too much power and resources on the FMG. Because this new arrangement essentially centralized policy and economic management in the hands of the all-powerful "super permsecs", there was the tendency on their part to effectively exclude the kind of participatory exercises, which enhances both the formulative and deliberative process of policy making. The result was policies that were very metropolitan in thrust and focus and could have used more "grassroots" "rural" leadership input. Again Ayida puts in perspective the groupthink and mindset that informed these super-permsec-engineered processes:

> "Those who would like to involve the representatives of the people and members of the political class who are not in office, in the planning process, should recognize the limitations of representative institutions in the formulation and maintenance of the Plan objectives. It is the executive, made up of Ministers, planners, administrators and other public officials, who are in a position to determine and maintain the objectives and targets of development policy" (1971, 7).

As implementation outcomes during the period and subsequent plan periods show, these formulation and implementation process could not have been more misguided in their rudimentary ambience.

MARKET/ECONOMIC POLICY INITIATIVES UNDER THE SECOND DEVELOPMENT PLAN

Immediately following the end of the civil war in 1970, and the putative implementation of the three Rs (Reconciliation, Rehabilitation and Reconstruction), the Gowon administration, just about in the same breathe, announced a nine-point programme intended to prepare the country, and perhaps political participants "with a full sense of responsibility", before returning the country to civil rule. The main thrusts of the programme are:

- The reorganization of the armed forces;
- The full implementation of the National Development Plan;
- Eradication of corruption in the national life;
- Resolution of the issue of the creation of more states;
- The preparation and adoption of a new federal constitution;
- The introduction of a new and equitable formulae for revenue allocation;

- Conducting a national and more accurate census;
- Organization of "genuinely national" parties; and
- The organization of elections and installing popularly elected governments in all the states and at the center (Kirk – Greene and Rimmer, 1981, 4; Joseph O. Irukwu, 1983, 186).

In proper perspective this nine-point plan line of action was supposed to address all the immediately pressing and prospective problems of the country, and to put it on proper footing, and hopefully address the kinds of problems that bedeviled the erstwhile civilian administration. It also demonstrated the focal emphasis of the administration in realizing policy goals. It was hoped that by the target date of handing over to a democratically elected government, which was stated to be 1976, all of the items in the plan programme would have been realized. As it turned out, this promised date of return to civilian rule, like those of Generals Babangida and Abacha, would characteristically be unrealistic. In his independence broadcast to the nation in October 1, 1974, Gowon declared:

> "Our own assessment of the situation as of now is that it will be utterly irresponsible to leave the nation in the lurch by a precipitate withdrawal which will certainly throw the nation back into confusion. Therefore, the Supreme Military Council, after careful deliberation and full consultation with the hierarchy of the armed forces and police have decided that the target date of 1976 is in the circumstances unrealistic and that it would indeed amount to a betrayal of trust to adhere rigidly to that target date" (Kirk-Green and Rimmer, 1981, 7).

It appears obvious that the FMG had a consistently inconsistent projection and time frame to its planned programme and the time frame for completion. It would also seem that the FMG had also hoped that the Second Development Plan (2nd NDP) which got under way in October, 1970 would not only seek to reconstruct facilities damaged during the civil war, but that it would also redress some of the regional and party-affiliation based neglects of the pre-war era, in time for return to civil rule. The Plan clearly stated:

> "What Nigeria lacked most in the past has been the national sense of purpose, particularly in economic matters. The Federal Government will therefore, occupy the commanding heights in the quest for purposeful national development and provide the leadership and honest administration necessary for the attainment of a national sense of purpose. Government intervention in economic matters designed primarily to protect and promote the public interest, is, therefore, fully justified" (2nd NDP, 32).

Although the Plan's focus was on growth and government's active participation in that process, the scope seems to be all encompassing and perhaps an acknowledgement of deficiencies in functional supervision and control:

> "Experience through history has shown that a Government cannot plan effectively what it does not control. The widespread frustration of planning in contemporary Africa has also demonstrated the futility of partial planning that is restricted to public sector programmes, especially when the typical African public sector is an inferior partner in a game dictated by the global strategy of modern international countries. If Nigeria is, therefore to be really serious about planned development, its essential that she should play a dominant role in the public sector... During the Plan period, Government will, therefore seek to regulate the use of those resources for the benefit of the community at large as well as to control the essential and growth-sensitive sectors of the country in the fields of commerce, industry, fuel and energy, construction, transport, finance and education" (2nd NDP, 33-34).

This Plan which provided what might be described as the first conscious military leadership definition or statement on self-reliance as a component and deliberate process of development, went on to insist that the country will accelerate its pace of development "through the use of her own resources instead of relying unduly on external Aid" (2nd NDP, 33). This seeming definitive and absolute expression in self-reliance finds contradictions both in the contextual expression in the Plan and what Callaghy [5] characterized as "neo-mercantilism" --- the use of a politically- regulated economy to engender elite consolidation and state power (Callaghy, 1984, 60; Olatunde Ojo, 1985, 141; Mark Anikpo, 1985, 49-50). The Plan's stated national objectives, *inter alia*, was the establishment of Nigeria as:

(a) a united, strong and self-reliant nation;

(b) a great and dynamic economy;

(c) a just and egalitarian society;

(d) a land of bright and full opportunities for all citizens; and

(e) a free and democratic society (2^{nd} NDP, 32).

In what obviously seems a deliberate effort at firing the imagination of the nation at all times, the Plan's statement went further:

> "...Nigeria is no longer a mere 'geographical expression'. She has indeed emerged from the war as a united country... the defense and security of the state must be geared to the objective of national unity and the evolution of a well-integrated national community...In the context of modern power relations in the world and especially of the international threats facing the African peoples, Nigeria cannot be truly strong and united without a prosperous economic base. Material power exerts a disproportionate influence on international morality. Nigeria will, therefore, pursue relentlessly the task of development to make the national economy strong, dynamic and responsive to the challenge of world competition...the uncompromising objective of raising economic prosperity in Nigeria is the economic independence of the nation and the defeat of neo-colonialist forces in Africa" (2^{nd} NDP, 31-31).

Evaluatively while the First Plan could be characterized as pragmatic economic orthodoxy, the Second Plan was more proactive, forward-looking and perhaps more nationalistic in outlook. Government was not merely going to play the "catalyst" role in economic and market development. Due to new impetus it would intervene directly intervene when and where necessary. It could be surmised that two significant factors made this new thrust feasible and realizable. One, was increased oil revenue which had greatly removed the hitherto resource constraints on government's action; and two, the military governments' action, unrestrained and unchallenged by a non-existent or weak opposition, which essentially allowed it to freely dictate its own policies and directions.

Indeed by the end of the Plan period, government resources were abundant and the drive toward the transition to state capitalism was tremendous, with very significant consequences (Kirk-Greene and Rimmer, 1981, 12-13; Legum, 1975, B750; 1977, B683). According to Yusufu "...it was a period of post-war reconstruction, and coincided with the emergence of the early fortunes of crude oil production and sale. It was the period when the Government gleefully announced that money was not Nigeria's problem, but how to spend it" (1996).

In evaluating the development experience of the country during the preceding period, the Plan noted the predominance of private sector investment and capital formation in most essential areas of the economy. And although the 1962-1968 Plan had projected a public/private sector investment ratio of 2/1, actual proportions were closer to 40/60. The Second Plan nonetheless envisioned a public/private sector investment ratio of 55/45 (2nd NDP, 274-275). Foreign aid and investment would constitute about 20 per cent of public resources during the Plan period, which was indeed a significant reduction from 50 per cent projected in the first plan, even though only 25 per cent was realized.

Procedurally State direct intervention was to be exercised through direct participation and through the indigenization of equity and management in the "commanding heights" of the economic sectors. As in the preceding Plan period, government played a dominant role in transport, communications and power. The government designated a minimum 55 per cent public share in iron and steel, petrochemicals, fertilizer and petroleum refining, and specified projects in each of these areas. In addition, a wide range of agro-industries, manufacturing ventures and services were to accommodate a 35 per cent public or private Nigerian share. The government reiterated its intention to employ industrial incentive legislation to induce further external investment.

The range and scale of new projects that were expanded included the sugar, palm processing, pulp and paper, fishing and canning, salt and passenger car assembly (2nd NDP, 148-150). While Federal activities targeted the development of intermediate and capital goods, the states (twelve in number during the relevant period), as numerous and seemingly uncoordinated as their projects and investments were, concentrated on consumer goods. Public industrial policy was to be directed toward insuring balanced growth among the constituent parts of the federation, as well as among different sectors. The distributive goals of state policy were elaborated through specific instruments and resources. The agricultural sector was dominated by smallholder production, and government's share of total investment and output were limited. State-level programmes were prevalent in agriculture, health and education.

It is also interesting to note here that the FMG's articulation of its new role of active intervention was also reflected in its sensibilities towards indigenous private and foreign capital:

> "The view...that the interest acquired by the government should be handed over to the indigenous businessmen if and when they have the capital and business know-how for operating these particular industries. This view flows from the narrow conception of the role of Government in national development which is not tenable in Nigerian circumstances...government as the most important single institution for ensuring the translation of growth into development through the provision of economic and social services, must have at its disposal resources sufficient for achieving these goals of society...Government investment activities will no longer be limited to public corporations and "dying industries" in which no private company can thrive, whilst leaving the virile, expansive and profitable industries to private enterprise" (2nd NDP, 289).

Even as government took steps towards promoting Nigerian enterprise, it was emphatic on its reassurance of foreign investment that "the government will not embark on indiscriminate nationalization". And in any event, it reassured, appropriate compensation would be paid in instances of warranted nationalization. Notwithstanding, the FMG noted, "private investors will...continue to be welcome in Nigeria as partners in progress led by the public sector" (2nd NDP, 289; John M. Ostheimer, 1973, 151).

Although Scahtz, (1977, 29) is of the opinion that only about two-thirds of the nominal targets in the Second Plan were fulfilled by 1974, government was able to substantially establish a broad framework of state intervention through the indigenization of private equity, the augmentation of legal authority and the creation of new enterprises in strategic areas. Along the same lines of new refocus and engagement, development banking was expanded and strengthened. Federal and state-level industrial schemes proceeded through further planning and in some situations or early implementation stages, while a series of large-scale pilot projects were initiated in the agricultural sector. In the dynamisms of that dispensation, burgeoning petroleum revenue enabled the government to respond to distributive pressures through wage concessions and extension of services. It has been observed that government expenditures increased only gradually during the early 1970s, as state economic management failed to embody a more rigorous approach to planning or project implementation, resulting in public investments not able to significantly develop national productive capacities (D. Olu Ajakaiye, 1984, 383).

IMPACT OF OIL BOOM ON MARKET/ECONOMIC POLICY

According to some estimates, between 1972 and 1974, federal government oil revenue rose five fold, from N1.9 billion in 1973 to N5.4 billion a year later. Indeed the sector constituted 30 per cent of GDP, 80 per cent of government revenue and 95 per cent of export earnings (See Table 6.1) The oil boom imposed a series of choices on the Gowon's and other subsequent administrations. The impact of the boom and its policy implications were mirrored in the government's strategy to develop the productive capacity and "achieve self-sustaining growth in the shortest possible time" (3rd NDP, 30). First, the government had to decide whether to retain the income for its own expenditure or to pass it on to the private sector? Second, for the part it retained, it had to choose between consumption and saving. And finally, to the extent that it saved, it had a choice among assets (Bevan, Collier, and Gunning, 1999, 47; World Bank, 1985; Ojo, 1985, 149). By 1973, federal capital expenditure had changed significantly. Defense and administration accounted for 36 per cent of spending. Transport fell from 30 to 24 per cent. The largest share was that of federal manufacturing investment from 12 to 27 per cent. And the most substantial decline, other than administration and defense, was capital expenditure on agriculture, from 7.8 to 4.4 per cent. It is also significant to note that in the middle of the Second Plan and "awash" with resources, government evolved a completely new focus. The expenditure program was increased and extended until 1975 to enable the planning apparatus recast and reappraise the impending Third Plan, in the light of new resource availabilities.

Table 6.1

NIGERIA: PETROLEUM STATISTICS, 1958-84				
Year	Average Daily Production (thousand barrels)	Annual Petroleum Revenues N million)	As % of Export Revenues	As % of Government Revenues
1958	5.1	1.8	0.7	--
1959	11.2	5.2	1.6	--
1960	17.4	8.4	2.5	--
1961	46.0	22.6	6.7	--
1962	67.5	33.4	10.5	--
1963	76.5	40.4	10.9	--
1964	120.2	64.0	15.2	--
1965	274.2	136.2	25.9	--
1966	417.6	184.0	33.1	11.1
1967	319.1	142.4	30.6	13.7
1968	141.3	77.7	18.9	7.8
1969	540.3	301.6	45.1	16.6
1970	1,083.1	509.6	58.1	25.9
1971	1,531.2	1,058.0	75.6	52.9
1972	1,815.7	1,176.2	87.2	41.5
1973	2,054.3	1,893.5	88.3	67.3
1974	2,255.0	5,365.7	95.1	80.8
1975	1,783.2	4,565.1	95.2	78.7
1976	2,066.8	6,321.7	95.8	78.5
1977	2,085.1	7,072.8	95.0	70.6
1978	1,897.0	5,401.6	92.9	67.2
1979	2,302.0	10.166.8	93.8	82.6
1980	2,058.0	13.632.3	96.1	83.6
1981	1,439.6	10,680.5	96.9	77.8
1982	1.287.0	8,601.6	98.6	75.3
1983	1,235.5	7,337.4	96.4	69.0
1984	1,388.0	8,840.6	97.2	73.7

Sources: NNPC Research and Intelligence Unit: World Bank

A few new changes were implemented. Revenue allocation formulae, which were modified, also effected new emphasis for sharing resources among the states, and as part of implementing the recommendations of the 1970 Dina Commission, centralized the

Federal Government's fiscal authority. The hierarchical, rather centralized structure of military administration essentially eroded the independent revenue source for the states, as the Federal government commanded a monopoly on royalties on the offshore petroleum production. It also effectively impacted revenues from the marketing boards and agricultural exports (Pauline H. Baker, 1984, 14; Kirk-Greene and Rimmer, 1981, 86).

Needless to say, the boom, in emboldening the FMG's policy reach and ambiance, it also had some very significant macro-economic impact on other sectors of the economy. For example, petroleum export receipts greatly amplified disequilibrium in other sectors, by raising the exchange rate and making it more difficult for other exports to compete in the international market (Corden and J. Peter Neary, 1982; Purvis and Buiter, 1984; Sweder van Wijnbergen 1984). Most significantly impacted was agriculture, which ceased to be a leading sector of the economy, and was replaced by mining, which was now contributing a little over one-third of the GDP, over four-fifth of government revenue and about 90 per cent of the country's foreign exchange earnings. Overall, the preeminence of oil created in the economy the so-called "Dutch Disease" phenomenon, [6] by effectively transferring income from the traded sector, notably agricultural exporters and manufacturers, to non-traded sector---food producers and construction and service activities. This shift fosters an appreciation of real exchange rate, which in turn reduces competitiveness of non-petroleum exports, as well as increases the incentive for importation (Alan Gelb, 1986). It could be argued that the country's experience with regard to the larger policy impact of oil boom reflected some of the most onerous pathologies common to large oil exporters, as well as the familiar dilemmas of African development, especially those with capacity (Watts, 1984, 403-410; Pinto, 1987; Gelb, 1986;Meier and Steel, 1989)

The "Dutch Disease" phenomenon used to describe the series of economic consequences flowing from the Netherlands experience with natural gas windfall, characterized the experience of Nigeria. Notably, the sudden inflow of resources from oil prompted a precipitous increase in the size and activities of the public sector. Suddenly, deriving a disproportionately huge portion of its resources from external rents, the FMG directed its expenditure towards ambitious development programs, including the expansion of public enterprises and state subsidies. Indeed, Nigeria's experience with changes in fiscal mechanisms, patterns of spending and economic growth were not peculiar, they merely reflected the experiences of a group of countries Watts have characterized as "high absorbers", rather than capital exporters (1984, 405). In this category belonged countries like Indonesia, Iran, Trinidad and Venezuela. The general pattern was that these "oil boom" economies experience rapid, yet unstable growth as public and domestic investment become increasingly reliant upon single commodities. Growth of the non-oil GDP typically lags, as overvalued exchange rates and imports of food and consumer goods dampen incentives for productive investment. These structural distortions in the economy are often aggravated by large expenditures on unproductive or "prestige" projects, heavy external borrowing, inflation, extensive capital flight and diversion toward speculative activities and corruption (Bevan, Collier and Gunning, 1999; S. Ibi Ajayi, 2000).

It has been suggested that the growth of the oil sector equally impacted the agricultural segment by precipitating a decline in that sector (Gelb, 1981; Oyejide, 1987;

WB/ASR, 1985, 1987) Before this development however, agriculture accounted in 1961 for 89 per cent of all exports and 66 per cent of total foreign exchange earning. But all that changed between 1972 and 1974 when oil revenue rose fivefold to form more than 80 per cent of total revenue. The neglect of this sector meant a fall in agricultural production, both for export market and domestic consumption. This situation was especially significant for the domestic food consumption and its implication for a rapidly increasing population. The high population growth rate, growing per capita real income (on account of high oil exports) and a rapid urbanization (due to rural-neglect-oil-boom-induced-urban migration patterns), all contributed to increased food demand. The shortfall in domestic production had to be augmented by importation (Olajide, 1983, 9-15). In the meantime, industrial sector contribution to the GDP actually declined during the same period, falling from 7 per cent of GDP to 5 per cent (See Table 6.2).

Table 6.2

Sectoral Composition of the Gross Domestic Product (in Percentages)

Year	Agriculture	Manufacturing	Mining & Other Industries	Wholesale & Retail Trade	Transportation & Communication
1960	58	4.5	2	12	5
1961	61	5.0	2	11	5
1962	64	5.5	3	11	4
1963	57	5.5	2	12	5
1964	53	6.0	2	12	5
1965	50	6.0	5	12	5
1966	51	6.0	5	12	4
1967	52	7.0	4	12	4
1968	49	7.0	3	12	5
1969	44	7.0	8	12	4
1970	44	7.0	10	12	3
1971	42	6.0	15	11	2
1972	39	7.0	16	10	3
1973	28	4.5	18	20	4
1974	18	3.5	33	16	3
1975	19	5.0	22	20	3
1976	22	5.0	25	20	3
1977	22	5.0	24	21	3
1978	23	5.0	24	20	3
1979	21	5.0	28	21	3
1980	20	5.0	32	20	4
1981	19	5.0	27	22	4
1982	22	5.0	24	21	5
1983	22	4.3	22	22	4

Source: United Nations, National Accounts Statistics: Analysis of main Aggregates (New York: United Nations, 1979-88).

Completely disregarding the apparent limitations inherent in its one-source revenue generating economy, the FMG reacted with massive spending increases, most of it investment expenditure. Public sector capital expenditure in 1970 was NG200.5 million. It had gone up to NG4018 million in 1976. Non-capital expenditure grew from NG638 million in 1970 to NG1222 million. These expenditures increased the size and role of the public sector. It is also important to note that the annual federal government expenditure on administration in 1970 was NG0.46 billion (capital and recurrent), which by 1979 had increased to NG1.8 billion. The share of capital expenditure at the federal level rose from 24 per cent in 1973 to 52 percent in 1978, reflecting as it were, the FMG and civil service's commitment to growth through huge capital formation (See table 6.3). Apparently, the government was less retrospective in its expenditure focus, since the widespread view was that as a result of oil money, "foreign exchange is unlikely to feature as a major problem" for the rest of the decade (Central Planning Office 1974, 8, quoted by Oyejide, 1991; Bevan, Collier and Gunning, 1994, 58).

Table 6.3

Distribution of Government Expenditure, 1973 – 78 (Percent)

Expenditure	1973	1974	1975	1976	1977	1978
General public services	20.2	-	15.9	12.8	13.5	11.7
Defense and public order	36.1	-	23.6	18.9	17.9	23.5
Education	5.4	-	15.5	21.0	9.6	4.5
Health	2.6	-	2.2	2.7	2.2	2.5
Other social services	4.8	-	6.2	8.4	6.3	9.2
Economic services	20.0	-	24.2	32.4	45.8	32.3
Other	11.0	-	12.4	3.8	4.8	16.4
Current expenditure	76.0	-	53.8	48.2	57.5	47.9
Capital expenditure	24.0	-	46.2	51.8	42.5	52.1
Total expenditure (Millions of naira)	1,165.0	2,129.9	4,944,	95,4923	7,061.4	5,117.3

-Not available
Source: IMF various years (quoted in Bevan et al, p59)

According to Bevan, Collier and Gunning (1999, 59), the contest for oil revenue was not simply one of public versus private expenditure, even though the existence of a large central government magnified the old problem of how to allocate revenues to the states. Nonetheless, the FMG succeeded in retaining an increased proportion (65 per cent) of public revenue. However, although transfers to the states fell from 42 per cent of revenue in 1970 to 23 per cent by 1978, in absolute terms the amount of revenue transferred to the states increased massively. Inspite of intensifying the contests among them (states) and their military administrators, for share of the distribution, it also enabled them to initiate some development programmes of their own. Yet a situation where the Federal government virtually became the sole source of development fund for the states, smacks of handicapping development initiatives at the "grassroots" state level. Indeed according to Kirk-Greene and Rimmer, (1981, table 15), by 1978/1979 less than 3 per cent of state expenditures were met by state-raised revenue.

Another major area impacted was the manufacturing sector. Between 1966 and 1968, total manufacturing output had declined by over 10 per cent. Indeed the number of manufacturing establishments declined from 776 in 1965 to 540 in 1968 and rising again to 704 in 1970 (National Accounts Statistics, 1978–1988; Industrial Statistics Yearbook, 1968-1974). As part of its post-war economic development, the Gowon administration, evolved a series of industrial policies with some of the following objectives:

1. The promotion of even development and the fair distribution of industries in all parts of the country;
2. Ensuring a rapid expansion and diversification of the industrial sector of the economy;

3. Promoting the establishment of industries which, cater for overseas market in order to earn foreign exchange; and

4. Raising the proportion of indigenous ownership of industrial investment (Okey Onyejekwe, 1981, 158).

Although the FMG had managed the re-activation of over 85 per cent of all the manufacturing industries damaged during the war, their overall output impact on the economy was minuscule, as industrial sector contribution to the GDP actually declined during this period, falling from 7 per cent of GDP to 5 per cent (Yusufu, 1996, 272). However, the growth rate within the sector was about 10 per cent, between 1970 and 1975. Indeed the number of manufacturing enterprises rose from 704 to 1246 over the same period (Onyejekwe, 1981, 159; Legum, 1975, B750; Industrial Statistics Yearbook, 1972-1976).

This development did little to stem the rising cost. The government's ultimate imposition of price controls, which were very distortive and did not reflect the true prize of the commodities, had some inflationary after-effects, as well as precipitating a drain on the country's foreign exchange reserves. According to Okowa (1985, 79) "...currency overvaluation implied a reduction in the domestic currency equivalent of the foreign sales receipts of the peasants. On the other hand, domestic importers are subsidized since they have to exchange for each unit of foreign currency a reduced amount of domestic currency. Even in the era of oil, the maintenance of over-valued currency implies a subsidization of importers from oil sales."

Table 6.4

IMPORTS OF MAJOR FOOD COMMODITIES 1970 – 84 (1000 MTONS)								
	1970	1972	1974	1976	1978	1980	1982	1984
Milk	52.8	77.8	67.3	101.3	179	370	273	399
Sugar	90.5	121.4	74.4	164.4	593	712	741	490
Fish	6.6	20.8	14.7	85.5	160	218	218	210
Oil&Fats	3.1	6.3	11.6	6.	114	223	410	155
Meat[a]	-	-	444.6	13764.	41334.0	3520	-	3250
Wheat	267	317	454	408	1166	1176	1605	1498
Rice	2	6	5	50	761	400	651	700
Maize	9	2	2	2	97	168	345	100

Sources: FAO Trade Yearbook - Several years, Federal Office of Statistics: Nigeria Trade Summary, Several yearsWorld Bank: Country Report 1982/1985
1983 FAO Data
[a] FOS data in Kg.

The disproportionate emphasis on oil meant declining output in agriculture, especially the high value export crops sector. The loss of production and income due to taxation effect (implicit and explicit) translated to huge losses in the farmer's real income. This had a grave direct impact on the welfare of the rural dwellers. And this is particularly significant since estimates suggest that about 65-70 per cent of the population still live in rural areas and over 75 per cent of the labour force is employed in agriculture (Yusufu, 1996, 125; Okowa, 1985, 82; Eleanor R. Fapohunda, 1979, 108). Besides, due to large-scale food imports, the huge rents from oil seem largely to have benefited urban dwellers, whose wage goods were subsidized by the over-valued naira and cheap food imports, thus depressing domestic food prices and consequently rural income (See Table 6.4). The impact of this created a combination of winners and losers:

-New urban wage earners, who acquired their jobs because of boom-enhanced government expenditure gained, because for most of the period urban wages (though falling) were higher than rural wages.

-Food producers gained because of rising relative price of food, combined with a fairly constant marginal physical product of labour.

-Existing urban wage earners lost because money wages did not keep up with rising food prices (which form about half the cost of living).

-Producers of tradable agricultural could have lost heavily because of the drastic decline in the relative price of non-oil tradable goods. Their losses were mitigated, however, by the ability of labour to exit into more remunerative activities, notably urban employment opportunities that were expanded throughout the South (Bevan, Collier and Gunning, 1991, 66).

OIL BOOM AND (PUBLIC) EXPENDITURE

One of the more obvious beneficiaries of the oil boom was the public sector labour force. The Public Service Review Commission, inaugurated in 1972 and headed by Jerome Udoji, undertook a comprehensive review of standard of service and compensation in the civil service and state enterprises.[7] The Commission recommended a phased increase of public sector salaries. However, in what Bevan Collier and Gunning (1999, 60) characterized as "bought off the public labour force in the previous week with the Udoji pay award, which nearly doubled public salaries", the FMG disregarded the Commision's recommendations and awarded a single blanket pay rise throughout the public sector, calculated retroactively to1974 (Rimmer, 1981, 60-61). Although this award augmented the relatively modest award of the Adebo Commission in 1970 and 1971, it nonetheless fostered a precipitous rise in the public sector wage bill and fueled agitation for commensurate increases in the private sector, resulting in the extension to cover all formal sector wage earners. (Bevan, Collier and Gunning, 199, 60). This remuneration windfall provided an additional spur to the growing inflationary trend.

It is important to also mention that the job grading and compensation policies outlined by the Udoji Commission were extended only to the major Federal public enterprises (parastatals). This measure, along with the reforms implemented after the Ani Commission Report, reflected a movement toward increased standardization of the public enterprise sector and its harmonization with the civil service. At the same time, the public enterprises obtained a nominal decentralization of control through the abolition of the Statutory Corporation Standing Tenders Boards. Indeed these institutions were generally believed to have been ineffectual at regulating management and were criticized for impeding the operations and development of public enterprises (M. Tokunboh, 1979, 38; Report, Presidential Commission on Parastatals, 1981, 16).

Another obvious beneficiary of the boom was Education. Indeed, expenditure on education was the nearest the FMG came to giving oil revenue back to the majority of Nigerian households. By expanding primary education and making it free, enrollment increased from 37 per cent in 1970 to 79 percent in 1978. Secondary school enrollment increased from 4 to 10 per cent within the same period. Priority was also given to higher education, as universities received much capital. Education's share of recurrent expenditure increased from 2 to 17 per cent. According to some opinions, (Bevan, Collier and Gunning, 1999; Caldwell, J.C., 1982), that education was one of the significant beneficiaries was no accident:

> "...First it benefited primarily the politically strong but educationally
>
> backward Northern states. Second, as an investment in Nigeria's future, it suited the development aspirations of the army and the civil service. Third, although it directly benefited children (a group without influence), the family structure in rural Nigeria is such that parents can expect to receive remittances from their employed offspring,...and because of disequilibrium wage premium that persisted during the 1970s, education enhanced entry to wage employment. Farm households' heads could see the expansion of education as a welcome, state-financed diversification of economic activities away from agriculture. Fourth, education was a publicly provided activity and thus involved the federal and state bureaucracies not just in funding but also in administering a simple and easily expanded activity. Finally, education was probably the most promising investment for the Nigerian economy, which needed to invest the proceeds of a depleting natural resource in long term, sector-specific capital" (Bevan, Collier Gunning, 1999, 64-65).

Another group of beneficiaries was the new public sector (senior) employees and a corrupt elite (including the military elite). The military and the civil service, although jointly in power, deliberately took a declining share of federal capital expenditure from a high of 36 per cent in 1973 to a low of 15 per cent by 1980. Although the FMG gave high priority to rationalizing a military that had grown from 10,000 in 1966 to 250,000 in 1970, with no substantial reduction, belying the expenditure cut was institutional corruption and mismanagement that did not transform the gains of reduction to the larger society and economy. Besides, public employment approximately tripled – from 0.5 million to 1.5 million – between 1973 and 1981 (Yusufu, 1996; Bevan, Collier and Gunning, 1999). Due to the fact that by 1973 urban wages for the unskilled were considerably higher than earnings in agriculture, the young and mobile, who sought urban wage employment precipitated the expansion of public sector employment with an obliging FMG, notwithstanding its productivity *(or is it unproductive?)* potentials.

The virtual neglect of the agricultural sector had resulted in rising food prices. In response, the FMG attempted to increase food supply without increasing the budget allocation to agriculture. It emphasized its importance in the Second National Development Plan (1970-75, Ch 12, 103) for the umpteenth time. Furthermore, it encouraged foreign companies to set up large farming operations. This it did by promulgating the Land Use Decree of 1978. Most significant, and rather inconsistently, the agricultural policy ran precisely counter to industrial policy where foreign capital was being displaced or strictly regulated.

THE INDIGENIZATION PROGRAMME--- 1972 AND 1977

The other important impact of the oil boom was the impetus it created for the promulgation of the Indigenization Decree of 1972 and a subsequent amendment in 1977. Indeed, according to Claude Ake, (1985, 174-175) systemic thinking on indigenization emerged in the Second National Development Plan and started with the Nigerinization of personnel. The argument was that it would reduce the "earning leakage" which reduces the benefit of industrialization to Nigerian. It was also hoped that it would put an end to a situation in which high level Nigerian personnel educated and trained at great cost to the nation, are denied employment in their own country by foreign business establishments.

The second aspect was "indigenization and control", culminating in the Indigenization Decrees, 1972 (and the subsequent amendment in 1977), which the FMG rationalized thus:

> "...political independence without economic is but an empty shell... a truly independent nation can not allow its objectives and priorities to be distorted or frustrated by the manipulation of powerful foreign investors...the (FMG) will seek to acquire by law if necessary, equity participation in a number of strategic industries that will be specified from time to time. In order to ensure that the economic destiny

> of Nigeria is determined by Nigerians themselves, the Government will seek to widen and intensify its positive participation in industrial development. This could be done where necessary, by joint participation with private enterprises (foreign and indigenous); and as occasions demand, through complete government control and exclusive public ownership of very strategic industries" (Ake, 1985, 175).

The Nigerian Enterprises Promotion Decree (Decree No 4) of 1972, as the Indigenization Decree was popularly known, specified two schedules of companies affected. Schedule 1 listed 22 activities in which exclusive participation was reserved to Nigerian entrepreneurs. The industries affected included small-scale retail trade, broadcasting and newspaper publishing, road transport, and a variety of services and light manufacturing. Indeed many of these areas were already Nigerian-owed by 1972. Schedule 2 listed 33 activities and excluded foreign participation in enterprises below NG400, 000 in share capital and NG1 million in turnover. Enterprises above that limit were required to admit 40 per cent Nigerian participation. Schedule 2 enterprises included department stores, real estate, domestic air and road transport, large-scale commercial agriculture and most major manufacturing operations (Paul D. Collins, 1977, 128-129). The Decree permitted majority foreign ownership of large-scale enterprise in manufacturing and agro-industries, although government indicated a clear and future intension to participate in these areas.

Notwithstanding the establishment of a supervisory and implementation body, Nigerian Enterprises Promotion Board, the Indigenization Decree showed obvious weaknesses as a mechanism for share transfers and meaningful indigenous participation and control. The practical and cultural impediments were legion, but some were more glaring. The Lebanese and Syrians businesses that owned many small establishments and whom, according to Bevan, Collier and Gunning (1999, 61-62), were the primary target of the decree, on account of indigenous resentment, were able to evade or circumvent the practical provisions of the Decree. This, they did by hiring token managers who "fronted" as owners; and also by stacking the board of directors with conniving and paid indigenous collaborators (Ankie Hoogvelt, 1979, 56-68). Multinational enterprises were no less non-compliant, except that they preferred and very promptly perfected bureaucratic evasion, special dispensation and in some cases, outright bribery (Thomas J. Biersteker, 1987, 113-225). These impediments notwithstanding, the decree effected widespread transfer of assets into indigenous hands, even though the overall sense was that these assets were very narrowly held by a few and new emerging Nigerian elite, for whom it indeed was pure bonanza (Collins, 1977, 143; Bevan, Collier and Gunning, 1999, 62). Ironically, and in some culpable ways, this tantamounted to an exercise that obviated from the original intendment, which was hoped to be meaningful indigenous participation in economic/market activities that enhance citizens' standard of living.

In view of the indigenization exercise and the need to attain and sustain a viable structure, other measures to develop the domestic capital market were effected. One of those was the transformation of the Capital Issues Committee (CIC) from its 1962 *adhoc* structure to a more permanent one in 1973; with responsibilities for, among other things, assessing companies and overseeing the valuation and timing of share issues. The Stock Exchange, on account of sudden influx of new listings and increase in trading activities, was expanded. Between 1972 and 1973, the value of transactions in the market increased three and half times. Another viable development was that the CIC was removed from the Central Bank hierarchy and reconstituted as an autonomous Securities and Exchange Commission in 1979 with broad authority to regulate the capital market (Biersteker, 1987, 207).

The failure of the 1972 decree to indigenize some industries considered some of the most important and largest (e.g. tobacco and textiles), and indeed most profitable in the country, led to widespread call to re-examine the exercise, and possibly expand and effect better implementation mechanisms. In 1975, the FMG inaugurated the Adeosun Commission to investigate the administration of the 1972 Indigenization Decree. The Commission's recommendations, which included a major revision and strengthening of the programme, culminated in the promulgation of the second Indigenization Decree in 1977. This second decree added 20 new industries to the list of Schedule 1 industries, which were to be completely Nigerian-owned. Under Schedule 2, 33 new industries were added to the list, and the mandatory sale of shares raised from 40 to 60 per cent. A third schedule was added to the new decree which listed all remaining industries and required that they make available 40 per cent of their equity to Nigerians (Biersteker, 1983, 190). There was another significant inclusion to the 1977 decree which was intended to limit the concentration of wealth in a few hands by ensuring that the benefits of indigenization are spread out to as many Nigerians as possible. The decree stipulated that in no case might one person have control of more than one enterprise affected by the Decree. Also schedule 2 and 3 enterprises were obliged to reserve 10 per cent of total equity shares or of the fraction of shares to be sold in affected enterprises, for their workers. No less than 50 per cent of this 10 per cent is to be reserved for non-managerial staff. With the exemption of owner managers, the maximum interest that any Nigerian or association of Nigerians may acquire in any enterprise is limited to NG50, 000 or 5 per cent of equity; whichever is higher (Ake, 1985, 178-179).

Although the various provisions of the first decree were to have been implemented by the end of 1974, only about a third of the business affected had completed the process of indigenizing their business by mid-1975 (Donald P. Whitaker, 1982, 143). The second decree was similarly only partially effective. Apart from being widely seen by the private sector as a state initiative to increase its economic scope, it also met with greater resistance and impediments (Biersteker, 1987, 198).

However, the second decree provided a new channel for new state share acquisition, even though the total proportion of shares taken by the state was probably around 15 per cent of those on offer (Biersteker, 1987, 267). Although the decree facilitated some structural changes, and failed to significantly after the composition of ownership and control of business in Nigeria, it nonetheless illustrated the ambivalent relationship between state and private capital during the oil boom. According to some opinions:

> "In effect, although the economy may be said to be largely indigenized, what has happened is that Nigerians have taken over rights to share in profits while control remained where it has always been – in foreign hands, which if we must be realistic, cannot reasonably be expected to identify as intimately with national objectives as if the situation were otherwise. Clearly 'control of commanding heights of the economy', which the first Nigerian Enterprises Promotion Decree had as one of its main objectives is no where in sight. And General Obasanjo in his budget speech reflected the growing concern that indigenization may have missed the substance for the shadow, when he called on companies in the country to reflect the ownership structures in their policy-making bodies" (Editorial, Business, Times, 5 June 1979).

CONCLUSION

The FMG under General Gowon did not only successfully prosecute the civil war, with little or no significant negative impact on the economy, it also had the good luck of huge resources generation through increased production in petroleum during the same period. Indeed, at the end of the war, the country scarcely had a 10 per cent increase in its external public debt (Tims, 1974).

The execution of the three Rs—Reconciliation, Rehabilitation and Reconstruction—involved huge public expenditure that was hoped would trickle down to the citizenry and transform what Rostow characterized as the Take-Off stage, thereby improving the standards of living, especially of those in the war-ravaged areas. However, the policy and the programmes' formulation and implementation lacked grossly such "grassroots" rural leadership involvement and participation. They were thought to be the handiwork of obsessive "super permsecs" who were more pre-occupied with controlling the processes than they were with effective and relevant outcome (Ayida, 1971, 7). Needless to say, development planning should not be the exclusive preserve of the technocrats in the capital cities who hardly know how the rural people live. Besides, the process was as affected by dearth of reliable data as it was by qualified personnel.

Particularly affected in these regard was agriculture and rural development policies. Agriculture, which employed over 85 per cent of the rural population, was not only grossly neglected, inspite of governments' repeated public professions to the contrary, it also gravely neglected rural infrastructural development, thus precipitating a huge rural-urban migration that led to high urban unemployment and sprawl and disruptive criminal activities (Fapohunda, 1979; Okowa, 1985; Yusufu, 1996; 3rd NDP 1975-80).

The Second Plan seems too hugely ambitious in its scope. Few of the objectives articulated in the Plan were fully realized, if at all. However, one visible improvement was the road network, which was largely enhanced, even though the collateral effects of the "cement armada" [7] had its drain effects on the economy. The "cement armanda" in the words of John Okwesa [8] showed a disturbing lack of coordination and control, and indeed deliberately corrupt mismanagement by the military and the various government ministries. Full employment, self-sufficiency in food production and improved health care delivery system remained unrealizable, even though tentative progress was made.

The government's activities with the Indiginization Decree, Udoji award and other public participation and improvement exercises were as poorly articulated as they were ineffectively and inefficiently implemented. Thus processes conceived as empowerment and enablement vehicles ended up effectively restricting the very objectives they were supposed to enhance. For example, the elites against whom some of these deliberate policies were formulated in an attempt at equitable redistribution exercise, ended up disproportionately benefiting due to the administration's ill-thought out implementation mechanisms. Investment capabilities, enhanced standard of living through salary increases for the working masses ended up creating an inflationary economic environment since the increases were not marched by any level of increased goods and services' production. The overwhelming majority of the citizenry may not have noticed or experienced any significant improvements in their living standards for duration of the administration (Yusufu, 1996).

ENDNOTES

1. Interview in Abuja with former Quarter-Master General, Nigerian Army, on July 17, 1999. He noted that although General Ironsi was the first military head of state, the circumstances of the first coup and the determination by a segment of the army from day one that he not succeed, made it nearly impossible for him to function. His impact on the army, his core constituency was minimal, and absolutely nonexistent within the larger society. According to him, true military government with full political and economic ramifications actually started with General Yakubu Gowòn.

2. One tribal group has made so much of the argument that the abolition of the Regions and the introduction of the unitary system by General Ironsi's military government lend credence to the notion of virtual domination. That perception is of doubtful validity and may not be legitimately founded, in view of all the surrounding circumstances of the coup. It is important to note that military governments are by structure, a hierarchical, unitary frame with a top-down command structure. It follows therefore that whether or not promulgated, and as was evident in the subsequent military regimes, military regimes are by structure unitary systems. Command flows from the top-down. It could be said though, that the Ironsi's government did not only lack sensitivity, it also lacked savvy in reading the volatile ethnic mood of 1966. For a perfectly appropriate and necessary military instrument of command and control, his government's timing was pathetic. It could not have come at a worse time.

3. The so-called "super permsecs" occupied key positions in the critical Ministries of Defense, Finance, Petroleum, Economic Development, Industry and Trade. These Secretaries, Philip Asiodu, Ahmed Joda, Alison Ayida, Ime Ebong and a few others, were said to be the technocratic power behind the Gowon government. It was also alleged that in "group-think" they essentially formulated, fashioned and implemented public and economic policies. That they would lose their power position following the overthrow of the Gowon regime lent credence to the allegation that they had become a technocratic clique who formulated and implemented their own development strategy and economic policy. See Thomas J. Biersteker (1987) "Multi-nationals, the State and Control of the Nigeria Economy, Princetion University Press. See A.A. Ayida and H.M.A. Onitiri 1971 (eds) Reconstruction and Development in Nigeria", Ibadan: Oxford University Press. See especially the comments of Ayida on page 15. See also Second National Development Plan 1970-74, 31.

4. The Nigerian Institute of Social and Economic Research and the Federal Ministry of Economic Development jointly hosted this Conference. Much of the Conference proceedings are reported in A.A.Ayida and H.M.A. Onitiri (eds) Reconstruction and Development in Nigeria, Ibadan: Oxford University Press, 1971.

5. Thomas Callaghy's is of the views that "In the basic neo-mercantilist equation of African state formation, the key element in the search for sovereignty and

unification is power, the basis of power is wealth, and the foundations of wealth are foreign exchange and economic development..."African neomercantilist states attempt to maintain a partially open, partially closed approach to penetration by external economic groups. The ruling group can increase the state power and further its interests (and the two re-enforce each other), by encouraging regulated investment and the development of new enterprises by external groups. Mercantilism is opposed to laissez-faire or automous capitalism, but not to political capitalism. As in early modern Europe neomercantilism provided a favourable framework for the early development of politically regulated and controlled capitalism in Africa".

6. An experience, following the discovery of gas in Holland that completely distorted the viability of the other sectors of the Dutch economy. The United Kingdom experienced the same problem as a result of oil exports, resulting in the worst trade deficit then on record (1989) and a decline in the manufacturing sector. Indonesia had a similar experience. See Corden and Neary, 1982; Blackaby, 1978; Bond and Knobl, 1982; Forsyth and Kay, 1980 op cit.

7. The Commission's Report and FMG views on it are published in the Federal Republic of Nigeria, *Public Service Review Commission Main Report*, Lagos; Federal Ministry of Information, 1974. And Federal Republic of Nigeria, *The Public Service of Nigeria: Government Views on the Report of the Public Service Commission,* Lagos: Federal Ministry of Information, 1974.

CHAPTER SEVEN

MARKET AND ECONOMIC DEVELOPMENT: 1975-1979 (UNDER GENERALS MURTALA MOHAMMED AND OLUSEGUN OBASANJO)

INTRODUCTION

Governments and their policies are not a determinate quotient, in that they are not a closed process that completely and with a clean break, terminate with one regime and a new and unaffected process or phase automatically starts with a new one. Naturally therefore, the uncompleted/unconcluded policies or portions of them, of one regime, still in the process of implementation, may be inherited and carried over by a new one. Because the choice is one of discretionary exercise of executive authority on either to continue or jettison the inherited processes or policies, the argument may be sustained that the non-abandonment is, *ipso facto,* an adoption or ratification thereof. The effect of which makes the initiating regime and the adopting regime as equally praise-worthy or culpable, depending on the outcome. It is therefore against this background and understanding that an evaluation of the Mohammed/Obasanjo regime's responsibility for implementing the Third National Development Plan (3rd NDP 1975-1980), inaugurated by General Gowon in March, 1975 just three months before being overthrown in July of 1975 of the same year could be articulated. The responsibilities for implementation fell on Mohammed/Obansanjo regimes.

By 1975, General Yakubu Gowon's government was becoming increasingly undermined by the combination of corruption and uncertainty about civil rule (which he had earlier deadlined for 1976) and the pernicious influence of a clique of self-serving "super permsecs" (Bevan, Collier and Gunning, 1999, 60; Bienen, 1978, 47; Dudley, 1982, 82). General Murtala Mohammed who succeeded Gowon, understandably, proceeded to carry out extensive purges against corruption in the civil service, especially the senior officials who had had a remarkably free hand at running the country since 1966 (Bevan, Collier and Gunning, 1999, 167).

MARKET/ECONOMIC POLICY INITIATIVES UNDER THE THIRD PLAN

General Mohammed's combination of populist reformism and economic nationalism galvanized the nation during the heady days of petroleum wealth (Gavin Williams and Terisa Turner, 1978). The new regime proceeded to implement a transition to civilian rule in 1979, as well as to execute the comparatively larger Third National Development Plan for the period 1975-1980. His administration would buy into the debatable but popular concept of "more states, better development" –the notion bringing development closer to the people by the creation of additional states (the administration created seven), to bring the total number of the states in the country to nineteen.

The Mohammed/Obasanjo government was engaged in the most extensive state intervention, aggressive economic nationalism and public sector development. This was due largely to their lack of reservation and perhaps total conviction of the role of state in market and economic development. The military governments of Mohammed and subsequently Obasanjo (Mohammed was killed in a failed coup attempt in February, 1976) presided over one of the most wide ranging and unrestrained period of public sector growth in Nigeria's history.

The Federal Military Government, (FMG) under this new leadership dismantled the Gowon economic leadership, understandably blaming senior technocrats and military administrator for entrenching corruption and self-interest in the civil service. Many of the permanent secretaries under the previous regime were ousted, and more than 10,000 others were dismissed, retired or forced to resign from service. Public enterprises were also purged, including the removal of 600 staff from the Nigerian Ports Authority (NPA). Some of the state administrators were also summarily dismissed. In their place, military officers were appointed to manage some of the large public ventures, including General Mohammed Buhari (the leader of the yet to evolve 1983 coup). He was in charge of Nigerian National Petroluem Corporation (NNPC) (Kirk-Greene and Rimmer, 1970, 12). This cleaning up of what had then become the augean stable of official corruption and mismanagement in government, although widely popular, was relatively insignificant in terms of the already debilitating level of corruption and mismanagement prevalent in the system. It is also ironic that this exercise at "house-cleaning" produced the most inexplicable, incomprehensible and unintended of consequences. It engendered a widespread sense of insecurity, demoralization and disarray throughout the bureaucracy. Indeed some have speculated that this level of sudden and rather abrupt mass termination of public employees may have been responsible for the subsequent increase in public service corruption, since it compounded the sense of insecurity and uncertainty of tenure within the bureaucracy (Ayida, 1987, 113-114).

The 3rd NDP, drawn up in the light of booming oil revenue, sought to use the revenue to create the infrastructure of self-sustaining growth, which included improved educational provision. The Plan also sought, apparently ostensibly, to reduce inequalities in living standards by means of public expenditure. This Plan was as ambitious as it was hoped to be transformational of the national economy. And compared with its two predecessors, this was more than twelve times as much as the investment covered by the Second Plan (Bailey, 1977, 158-159). The Plan set as its target a total capital expenditure of NG30 billion, which was subsequently raised to over NG43.4 billion, compared to British Pounds Sterling 2.2 billion and British Pounds Sterling 3.0 billion of the first and second plan respectively. As part of the strategy of concentration on, and fulfillment of, the defined objectives, as well as ensuring greater efficiency, the Plan set out a fairly comprehensive list of approved projects, highlighting the physical targets as well as associated financial allocations, a procedure which was "expected to be of immense help as an instrument of control" (3rd NDP, 1975,12). And because the FMG was gravely aware that past development efforts had largely by-passed the ordinary people, especially the rural poor, the Plan purports that "serious effort has been made to emphasize those sectors which directly affect the welfare of the ordinary citizen. These included housing, water supplies, health facilities, education, rural electrification and community development, "the expectation is that by the end of the plan period every Nigerian should experience a definite improvement in his overall welfare" (3rd NDP, 1975, 10; Okowa, 1985, 83-86).

Although agriculture had the highest allocation in the plan, the largest percentage increase over previous plans was in the allocation to industry, which had been termed the most dynamic component of FMG expenditure, accounting by 1980, for 20 per cent of federal retained revenue (Bevan, Collier, Gunning, 1999, 61). For a plan whose avowed objective was the improvement of the welfare and standard of living of the average citizen, this was rather inconsistent for a sector (agriculture), which employs over 70 per cent of the population. For example, agriculture, which provides a rather high proportion of employment and food for the ordinary citizen, accounted in 1975-1976, for as much as 27.3 per cent of GDP. But the total expenditure on agriculture with its allied sub-sectors, including irrigation, livestock, forestry and fishery, amounted under the plan to only NG2.1 billion or 7.1 per cent of the total capital expenditure of NG29.43 billion.

It has been suggested that apart from expenditures connected with the oil industry, the biggest single industrial project in the plan was the establishment of an iron and steel industry (Bailey, 1977, 159; Legume, 1976, B801-803). It would appear that another sector whose major functional characteristics were not particularly affected, even though government participation increased, was manufacturing. This sector continued to be dominated by light manufacturing enterprises (food processing, beverages, cigarettes and textiles). It would also appear that the import content of manufactured goods remained high. On average 34 per cent of raw materials used in this sector was imported (Jakande, 1975, 274-276). However, government's participation in this sector increased substantially during the period 1966-1979 in a variety of project: salt, oil, petrochemical and gas refineries, auto assembly plants cement, glass, beer, textile mills etc (Ostheimer 1973, 149; Jakande, 1975, 276; Olorunsola, 1977, 35).

By reference to its expected results at current prices, the 3rd NDP performed relatively well. The GDP at current market prices grew by 89.6 per cent from NG21, 326.9 million in 1975-1976, to NG40, 426.3 million in 1979-80, given an average yearly growth rate of about 22 per cent. This obviously exceeded the projected plan growth rate of 9 per cent by over 144 per cent. Tables 7.1 and 7.2 show sector growth rates at current prices and at constant prices respectively. The two tables show that while the projected growth rate of 9 per cent was far outstripped at current prices, the actual growth rate at constant prices was below the postulated rate during the whole plan period.

Table 7.1

Growth of Domestic Product 1975/76 – 1979/80 At Current Prices

S/No .Sector	1975-76	1976-77	1978-78	1978-79	1979-80
1 Agriculture and Allied	5,730.0	6,426.4	7,473.8	7,854.2	8,425.0
2. Mining and Quarrying	4,668.4	6,797.3	7,905.0	6,874.3	10,903.9
3. Manufacturing	1,170.4	1,464.3	1,555.0	2,212.9	2,746..5
4. Utilities	57.9	72.1	98.7	121.7	133.3
5. Building, Housing and Construction	2,685.9	3,616.5	6,771.7	6,282.7	7,585.2
6. Wholesale and Retail Trade	4,329.2	5,501.8	6,771.7	6,282.7	7,585.2
7. Transport and Communication	673.6	852.2	1,038.2	1,277.7	1,617.0
8.Producer of Government Services	1,352.9	1,429.3	226.8	1,968.0	2,236.3
9.Other Services	658.6	733.4	859.6	980.1	1,219.7
10. TOTAL	21,326.9	26,956.3	31,992.0	31,120.0	40,436.3
ANNUAL GROWTH RATE %	14.9%	26.4%	18.7%	-2.7%	29.9%

Source: Fourth National Development Plan 1981-85, Vol., Table 2.5, p. 17.

Indeed the actual rate of growth was negative (-1.3%) in the first year, and only 1.1 per cent in the fourth year. The highest rate of 8.8 per cent was attained in the terminal year. According to Yusufu (1996), this may be explained largely by the usual scramble in the last year of a plan for releases of funds ahead of performances, to sustain on-going projects, much of the releases being merely committed and not utilized until later. However, although the rate of growth fluctuated widely from year to year during the period in the light of Table 7.2, it averaged 5 per cent, which was indeed a far cry from the projected 9 per cent.

It would seem that the overall average growth rate of 5 per cent at 1975-78 factor cost, which was achieved by the 3rd Plan failed to reach its planned target, even as it did not positively impact the welfare and standard of living of the average citizen (Yusufu, 1996, 74). Relative under-expenditure applied to various areas of citizen-oriented welfare projects, such as health (which accounted for only 2.0 per cent of the plan expenditure): Social Development, Youth and Sports (0.4 per cent). The share of agriculture (i.e. food crops) under the plan was 3.3 per cent; Forestry 0.3 per cent, Livestock 0.6 per cent and Fishery 0.1 per cent; Cooperatives and Supply 0.7 per cent, Water Supply 3 per cent, Housing 4.1 per cent and Community Development 0.6 per cent. Significantly, labour received 0 per cent. It is noteworthy that, at 1977-1978 factor- cost, agriculture with its allied sub-sectors recorded a negative average growth rate of 7.1 per cent. Utilities also recorded a negative growth rate of as much as 15.3 per cent during the plan period 1975/; 76 - 1979/80. The aggregate growth rate of the GDP itself measured at 1975-78-factor cost decreased by 4.6 per cent (4 NDP, Vol. 1, Table 2.4, 16).

TABLE 7.2

Gross Domestic Product 1975/76 - 1979/80 (At 1977-78 Factor Cost) (Million)						
S/No.	Sector	1975-76	1976-77	1978-78	1978-79	1979-80
1.	Agriculture and Allied	7,465.9	7,206.9	7,473.8	7,271.8	7,430.1
2.	Mining and Quarrying	6,275.1	7,694.7	7,905.0	7,446.9	8,83.9
3.	Manufacturing	1,532.0	1,554.5	1,555.0	1,923.8	2,076.4
4.	Utilities	77.8	79.9	98.7	105.8	100.8
5.	Building, Housing and Construction	2,979.6	3,625.8	4,072.2	4,684.2	7,582.5
6.	Wholesale and Retail Trade	5,718.9	633.6	6,771.7	6,896.9	7,093.0
7.	Transport and Communication	963.0	1,007.1	1,039.2	1,033.0	1,129.2
8.	Producer of Government Services	1,612.6	1,673.0	2,216.8	2,044.3	1,895.8
9.	Other Services	739.2	770.7	.859.6	941.0	1,106.2
10.	TOTAL	27,364.7	29,746.2	31,992.0	32,347.7	35,196.4
	ANNUAL GROWTH RATE %	-1.3%	8.7%	7.5%	1.1%	8.8%

Source: Fourth National Development Plan, Table 2.2, p. 15.

The FMG professed emphasis on agriculture seems founded on the realization that during the period 1969-1974, the production of all food commodities rose approximately 2.5 per cent, and "barely sufficient to keep up with the increase in population" (3rd NDP, ch. 6, 67). Government was concerned with the level of under-performance in this critical area where according to Yusufu "...the growth rate of overall food demand of 3.5 per cent per annum and the production growth rate of 1 per cent, about 2.6 million tons of grain equivalents were being imported annually. Assuming that the demand and production growth rates remain constant over the plan period 1981-85, a deficit of 5.5 million tons of grain equivalent would have resulted by 1985" (1996, 236-237).

The FMG over the years tried, by itself and through the state governments, to adopt and propagate various promotional activities to boost the agricultural sector. But perhaps the most impacting of its policies in this and other related areas was the promulgation of the Land Use Decree in 1978. The introduction of this Decree essentially redefined the land holding structure, and with it the agricultural ambiance of the country. These activities included the establishment of the Nigerian Agricultural and Cooperative Bank in 1973 and the federally sponsored Operation Feed the Nation (OFN) in 1976. Indeed, the fiscal year 1977/78 was declared "the year of Agriculture". The net effect of this level of investment and participation was minimal in terms of its impact on productivity, "other than create a small core of new breed farmers" (Godwin Okurume, 120 cited in Yusufu, 1996, 237).

MARKET/ECONOMIC GROWTH AND EXPANSION

Between 1970 and 1980, Nigeria's public enterprise sector would expand from 250 firms to more than 800. Government's dominant role in market/economic development and especially enterprise creation was significant during the period. The process evolution was particularly unique. Government created a significant number of new statutory corporations and wholly state-owned entities. Also Federal and State governments took equity in most large-scale productive and service ventures, often times, in conjunction with foreign capital. Furthermore, the share acquisition associated with nationalization efforts and indigenization brought a larger number of firms into the state sector. In the views of Bevan, Collier and Gunning, "Large-scale public expenditure on industry did not get under way until the first oil circle. Industrial expenditure included full public ownership...the purchase of equity stakes in private ventures...start-up grants to private firms, and operating subsidies" (1999,173).

Although a comprehensive industrial policy was lacking, successive governments emphasized its importance as a central focus for economic development. For example, the Fourth National Development Plan (4th NDP) emphasized that "the risk of industrializing the economy of Nigeria is a big challenge which has been accepted by successive governments of this country" (Vol. 1, 135; Paul Collins, 1983, 416-417). Also in the views of Bevan, Collier and Gunning (1999), the promotion of industry was a constant in Nigerian economic development policy, what changed however was the capacity to finance it and the distribution of industrial activity between the public and private sectors and between the regions (1999, 174). Earlier on, a broad set of industrial priorities were articulated in the Second and Third Plans, which included the diversification and deepening of the manufacturing sector, the promotion of balanced development and the even distribution of industries throughout the country. There was also increased industrial employment, indigenization, the further development of import substituting industries and the creation of export potential. Apparently, "in principle, this is essentially a political, much more than an economic objective" (Yusufu, 1996, 281), lacking as it were, in any underlying long-term perspective. However, planning and implementation proceeded largely on a project-by-project basis, and revenue fluctuations and administrative problems, compounded by corruption and mismanagement, which yielded uneven performance. Besides, " industrial planners revealed preferences (in the 1975 development plan) for 'glamorous' industrial activities with a high-technology, real engineering, or high value added component, and they offered fiscal incentives to favour such activities over low-technology projects, light industry, and elementary industries such as textiles and foods stuffs. In part these preferences reflected a notion of what the pattern of activities in a developed economy should look like..."(Bevan, Collier and Gunning, 1999, 63).

The public sector share of manufacturing equity increased substantially during the first half of the decade, although there is evidence to suggest that the relative share of state equity may actually have receded after the second indigenization decree in the face of expansion from the indigenous private sector. Major investments were undertaken during the late 1970s, as the state press the campaign for heavy industry. By 1978, Federal industrial expenditures totaled nearly NG2.3 billion (Forrest, 1987).

Some of the most ambitious elements in industrial planning were the large projects in heavy industry. For example, plan for an integrated iron and steel industry were revived and a new series of complexes were planned. The National Steel Development Authority established in 1971 had the responsibility to coordinate activities in this area. The political pressures attendant on the decision-making of site location did not only ignore the obvious and rudimentary critical elements dealing with proximity and availability of raw materials, it also disregarded the uncompetitive world price of the finished product. It was a project that defied market and economic development rationale or reason. In terms of opportunity cost, it is a monumental drain on scarce resources for other viable development activities.

According to Bevan, Collier and Gunning:

> "The feasibility report on Ajaokuta is 21 volumes long and has never even been translated from Russian. Few Nigerian decision-makers are likely to have read it...If all planned steel projects had been completed, the total cost of the two mills would have been $10.8 billion (at NG4.2 = $1). If the plants were then run to produce steel, the cost would be higher. This is because the unit cost of steel in Nigeria greatly exceeds the world price...the cost per ton was $400 against $150 world price... The plants cannot run efficiently below 30 to 40 per cent capacities, but it is doubtful if the market will permit more than 20 per cent capacity. At 40 per cent capacity, the net present value of running the mills is around -$3 Billion, so the total cost of steel mills is $13.8 billion" (1999, 62-63).

Completely disregarding these nonviable variables and the obvious economic impracticalities of the project, a blast furnace was planned for Ajaokuta and a Direct Reduction (DRI) plant sited in Aladja. Indeed Steel Rolling mills were planned for Katsina (North), Oshogbo (West) and Jos (Middle Belt). The intriguing thing about the site location was the heavy political content of the decision, for an otherwise purely economic project. Even then, the consideration excluded the East (another dominant component in the country's traditional politics of heavy regional/ethnic relevance). Although the Ajaokuta project was originally contracted to the Soviet Union's Tiajpromexport firm, delays in completion caused pressure to be mounted, culminating in the engagement of West German and Japanese firms for a new and different design for Delta (Gbolahan Alli-Balogun, 1988, 631; Bevan, Collier and Gunning, 1999, 62). The alleged irregular disengagement of Tiajpromexport (with a military *fiat*), and the legal and contractual contentions of that exercise remained until 1998. The General Abacha's administration resolved this contractual dispute in a corrupt and scandalous debt-buy-back transaction that became a subject of judicial inquiry under the Obasanjo civilian administration (The Guardian, March 31, 2000; This Day, March 22-27, 2001).

The increases in revenue derived from petroleum exports, which rose from NG219 billion in 1970 to NG10.6 billion in 1979, accelerated state participation interests in production activities, which also rose from an average of 35 per cent in 1971 to more than 60 per cent in 1979. In the face of this development, government sought to solicit unrestricted foreign development capital in the oil sector, which it believed would lead to the rapid expansion of the pattern and structure of this critical segment; especially by specifying the substantive content and conditions affecting down-stream activities (refining, marketing and distribution) in particular and oil exploration and production in general. Even then, Hutchful (1985, 113), believes that it was "less for purposes of control over the activities of the oil majors than for those of increasing the access of the state oil surplus".

OTHER POLICY INITIATIVES AND IMPLEMENTATION

The overall implementation focus was the establishment of the kinds of industries that generated gainful employment. To effect these imperatives, the FMG promulgated a number of decrees, requiring state equity participation in oil production and setting the equity limits of such participation between state and foreign companies. It would appear that the most far-reaching of these decrees is the Petroleum Decree of November 1969.[1] In continuation of this process expansion, new refineries were commissioned at Warri in 1978, built by an Italian firm, Snamprogetti, an affiliate of Agip consortium; and another in Kaduna in 1980. These refineries were built to supplement the first refinery built in

Alesa-Eleme, Port Harcourt in 1961, but which was owned and managed jointly by Shell-BP, even though the state subsequently acquired 60 per cent controlling interest.

The FMG also embarked on substantial new industrial activities, nearly all of them joint ventures. Some of those planned were fertilizer, pulp and paper, construction, sugar, salt and commercial fishing and processing. In 1973 the Federal Superphosphate Fertilizer Company, a wholly owned federal government venture, was established in Kaduna. It was to function as a manufacturer and distributor of fertilizer. A plant for the production of nitrogenous fertilizer, based on natural gas, was sited for Onne Rivers State complex to complement the activities of the proposed petrochemical compels. The technical partners to this project were the American firm of MW Kellogg.

A newsprint company was sited for Cross River State, whilst an integrated pulp and paper operation was earmarked for Iwopin, Ondo Sate. An expansion of the paper mill at Jebba was initiated. Furthermore, the Savannah Sugar, Sunti Sugar Company, National Salt Company and New Nigeria Salt Company were all established in the 1970s. These projects were delayed by a combination of problems, which included planning, managerial and financial difficulties (Ojo, 1985; 141-168). There was also the creation of the Road Construction Company of Nigeria and the Nigerian Engineering and Construction Company. Also created was the Seromwood Industries in Calabar, the Nigerian Yeast and Alcohol Manufacturing Company, the National Shrimp Company and the Nigeria National Fishing Company.

The efforts by government to engender domestic engineering capacity included the attempt to produce electrical equipments. By 1980, the government had finalized arrangements with the Indian state-owned firm, Hindustan Machine Tools to establish

Nigerian Machine Tools Ltd., at Oshogbo. The FMG held an 85 per cent share in the enterprise, while the Indian firm was to provide the essential equipment, technical expertise and training. The Nigerian Transformers Ltd., in which the FMG held a majority share, was also established in 1979 to produce equipment for Nigerian Electric Power Authority (NEPA). The FMG's preoccupation with retaining control of the "commanding heights of the economy" encouraged the important targeting of vehicle assembly as a critical sub-sector for import-substitution. Prior to 1970, the only assembly plant engaged in domestic production was the Federated Motor Industries, a Bedford truck assembly plant in Lagos.

Of the several new enterprises, participation was between the Federal, State and private capital, with the FMG acquiring 35 per cent of equity in majority of them. Consistent with the rationale underlying most of its equity participation, this key area of vehicle production was intended to provide a wide array of industrial linkages. Consequently two joint ventures, one with Peugeot, located in Kaduna, and the other with Volkswagen, located in Lagos, began passenger car production in 1975. Interestingly enough, both were assembly operations, with virtually all in-puts imported as Completely Knocked-Down (CKD) components. With a view to producing heavy-duty vehicles for domestic use, including the military's, other assembly ventures were contracted. These included the Anambra Motor Manufacturing Company (Anammco), in conjunction with Daimler-Benz, Steyr (Nigeria) Ltd. in Bauchi, and the National Truck Manufacturing Company in Kano, a joint venture with Fiat, and the British Leyland truck plant in Ibadan.

Construction boom, which was precipitated by the oil boom, added fillip to the expansion process. By 1975, construction was responsible for over 68 per cent of gross capita formation. About the same time, cement production accounted for about a quarter of the demand (F.O.S., 1982, 10). It is noteworthy that the functional cement plants in Sokoto, Ukpilla, Nkalagu, Calabar and Lagos were unable to increase their output sufficiently to meet new demands. It was perhaps in recognition of these unmet demands that new cement factories under federal and state ownerships were planned for Yandev (Benue State), Shagamu (Ogun State) and Ashaka (Bauchi State).

At the height of the windfall the increased demand for cement was supplied through massive, if uncoordinated and unregulated importation by the different Ministries, especially Defense and Works and Housing. By 1975, bureaucratic bottlenecks, as well as corruption in the processes of clearing, created an enormous backlog in the harbor in Lagos.[2] In what would subsequently be referred to as the "cement armada", over 400 ships waited for weeks to berth and discharge their cement cargo, thus choking the ports and the distribution network (Report Tribunal, 1976). It has been suggested that the consequent "cement racket" spurred concern for expanding domestic production, even as it marked the apex of corruption and commercial manipulation under the Gowon regime (Diamond, 1984, 5).

The relative abundance of mineral reserves necessarily meant that mining was also an important area of state activity. However, the war had a decidedly impeding effect on mining activities. Not only did it slow down coal mining activities in the Eastern part of the country, other solid mineral mining activities were similarly affected during the late 1960s. At the end of the war, the Nigerian Mining Corporation (NMC) was established in 1972 to undertake mining activities in solid mineral, other than coal. The NMC took equity in various foreign-operated mining operations throughout the country, including iron, tin and limestone. It is important to put in proper perspective the need for the establishment of the NMC, in the light of the new significance of this sector. This sector's share of the Gross Domestic Output was less than 1 per cent in 1950, but by 1973/74 had a significant rise of about 18 per cent, thereby becoming the leading sector after agriculture (F.O.S., 1976). Indeed the NMC was supposed to regenerate and sustain mining production; and to increase the nation's participation in a sector, which had traditionally been under foreign control and tutelage.

By 1974 however, much of the income accruing from investment in the mining industry went to depreciation payments and profits, which were repatriated, with negative domestic economic impact. However, the contention is that the mining industry's contribution to economic development and the industrialization of the country was not significant, relative to the high amount of capital invested in it. It neither contributed much to solving unemployment problems nor did it, at least before 1974, attract related industries (Roland Ekotome Ubogu, 1979, 64).

EVALUATING POLICY OUTCOME

It would appear that few of the ambitious targets for rapid industrialization were realized during the 1970s. Even less so was the hoped for increase on employment. According to Yusufu, "Throughout the history of conscious consideration of economic development in Nigeria, the industrial sector has been expected to create most of the increase of employment opportunities required to stem, and even solve, the unemployment problem" (1996, 267). Needless to say it was an unrealized expectation.

Indeed, the indications are that of a noticeable decline in the level of employment in the major sector of the manufacturing industry (See table 7.3).

Although substantial resources were committed to project development, the state industrial sectors yielded modest productive output. The light consumer industries and assembly ventures, almost all of which were set up in conjunction with foreign firms started operations. However, by the end of the oil boom era, most of the basic industrial schemes targeted in the Second and Third National Development Plans were unrealized, either because of bad planning, unfocused management or unrealistic schedule projections. For example one of the major government initiatives in trade was the establishment of the Nigerian National Supply Company in 1972, which was intended to help contain the burgeoning inflation, stemming from oil-induced consumption. The other was the nationalization of the distribution of essential commodities. Like most poorly conceived, ill-articulated and market-insensitive government programmes, these poverty-alleviation schemes, were prompted appropriated as a powerful mechanism of patronage and political instrument.

Persons Employed in Selected Sectors, Manufacturing Industry

Table 7.3

S/N	Item	1980		1982		1984		1988		1991		Increase (decrease) % 1980-91
		Number	Index	Number	Index	Number	Index	Number	Index	Number	Index	
1.	Food	57872	100	52296	90.4	35042	65.7	2999	5.2	2960	5.1	94.9
2.	Beverages and Tobacco	32169	100	16682	51.9	23254	72.3	6225	19.4	6575	20.4	79.6
3.	Textiles	88757	100	61583	69.4	57360	64.6	2437	2.7	2478	2.8	97.2
4.	Wood and wood Products	53966	100	24490	45.4	14575	27.0	1322	2.4	1409	2.6	97.4
5.	Leather and Leather Products	7157	100	14108	197.1	7837	109.5	850	11.9	641	9.0	91.0
6.	Rubber and Plastics Products	44896	100	14659	32.7	16000	35.6	2867	6.4	3057	6.8	93.2
7.	Electrical Products	9752	100	10773	110.5	6685	68.6	169	1.7	227	2.3	97.7

Sources:(a) F.O.S. Annual Abstract of Statistics, 1987, Table 75, p. 101
Sources:(a) F.O.S. Annual Abstract of Statistics, 1994, Table 117, p. 174

Prior to 1970, the Ministry of Mines and Power, and Petroleum Division of the Ministry of Finance determined central elements of petroleum policy, including prices, tax rates, royalties and the terms of participation for foreign producing firms. The increasing importance of petroleum to the national economy and its resultant increased capacity and revenue generation persuaded intervention on behalf of autonomous nationalist, as well as the creation of a state oil enterprise (Petter Nore 1980, 69-84; Malcolm Gillia, 1980, 248-249). The Nigerian National Oil Corporation (NNOC) established, as a statutory body in 1971, did not commence operations until 1973. Even then and although nominally delegated a policy role, it was to all intents and purposes, subordinate to the ministerial departments responsible for petroleum. The FMG policy towards the foreign producing companies was increasingly one of assertiveness during the 1970s, although less nationalistic than those of other OPEC (Organization of Petroleum Producing Countries) countries (Cliff Edogun, 1985, 89; Turner, 1980, 207-210).

By 1977 the NNOC had expanded its activities, even as it was being merged with the Ministry of Petroleum Resources, to form what became Nigerian National Petroleum Corporation (NNPC). The new corporation had broad authorities for the operations of the sector, as well as policy formulation. Overall, it administered public investment in the oil sector, collected revenues, implemented pricing and marketing policies, as well as monitoring the operations of producing companies. Inspite of this level of managerial participation, the corporation did not appreciably increase its technical capacities, neither did it engage directly in drilling or extraction (Turner, 1980, 210).

The Banking and Finance sector also saw an appreciable level of government activities. Banking and insurance were expanded during the Second Plan period, just as government's intervention in the financial sector increased and diversified after 1975. Encouraged by the enhanced control afforded by nationalization and indigenization, the Federal and State governments expanded the assets and activities of development finance institutions, as well as state participation in insurance, housing, finance and savings.

Apparently, government objectives entailed a more vigorous role for public financial institutions. The central idea was to avert the kind of criticisms, which banks like Nigeria Industrial Development Bank (NIDB) had received during the late 1960s. It had been criticized for concentrating on joint ventures and foreign-dominated enterprises. It was also along this new line of more participatory involvement that proposals emerged for a new institution with a more decidedly broader national thrust and even greater indigenous-focused mandate (G.O. Nwankwo, 1980, 105). According to Okigbo, increased revenue made the establishment of new financial institutions possible (1981, 139). A new bank, Nigerian Bank for Commerce and industry (NBCI), was established in 1973 with an authorized capital of NG 50 million to provide equity capital and funds in the form of loans for Nigerians to invest in industry and commerce.

The NBCI, which was conceived as a principal instrument for financing the indigenous program, was also viewed as an important means of enlarging and streamlining the FMG's development finance activities (W. Okiezie Uzoaga, 1981, 124). Even then, there were still some concerns that the assets of the Bank were very narrowly held by a few Nigerian elites (Bevan, Collier, and Gunning, 1999, 62), with decidedly grave economic and market development implications for the larger indigenous investor.

The Nigerian Building Society (NBS) established in 1956 was succeeded by the Federal Mortgage Bank, which was set up in 1977 with an initial capital of NG 150 million. The Bank was established, in part, to complement the Federal Housing Corporation in the implementation of the FMG's housing program (Okigbo, 1981, 236-237). It was also part of the Bank's responsibilities to provide finance for housing construction and purchase. The Federal Savings Bank was established in 1974 as a successor to the Post Office Savings Bank established in 1923, and which operated as a branch of the Posts and Telecommunication Department until 1972. In 1978, the Nigerian Reinsurance Corporation, which was wholly owned by the Federal government, began operations with a mandated 20 per cent of the domestic reinsurance market. Again, this appears to be a huge industry-specific imposition that did not only create an unhealthy monopoly, but obviously impeded the competitive market development of that critical sub-sector in an emerging economy.

This level of direct government involvement and participation achieved some noticeable results. In its 1977 annual report, NIDB purports to have sanctioned projects to the value NG 74 million, of which NG 4.4 million was in equity participation and NG 69.9 million in direct loans. Of the twenty-seven projects sanctioned in 1977, Nigerians wholly owned twenty-four, and these accounted for over 91 per cent of the total value of sanction projects. The NBCI, on the other hand, helped Nigerians to purchase alien businesses affected by the Indigenization Decree. From May 1973, when it was established to December 1975, the Bank had total approved loans to the tune of NG 54 million and made a total equity subscription of NG 4.8 million. And between April 1973, when it became effectively operative and March 31, 1977, the Nigerian Agricultural Bank had approved loans of a total of NG 265 million (Ake, 1985, 179-180). By comparison commercial banks seem to have played a more significant role, in that by 1980, they held nearly 85 per cent of the total financial assets, while the development finance institutions held only 5 per cent (World Bank, 1983, 32). It is also significant that these federal institutions were not as dynamic in the development of manufacturing (Uzoaga, 1981, 226).

However, it should be noted that while direct government investment and capital mobilization were critical to economic growth during the petroleum boom, public sector financial enterprises played a subordinate role to private institutions, even as new state-level finance and investment activities created opportunities for local accumulation, by providing loans and equity to indigenous entrepreneurs. Notwithstanding, federal development finance institutions did not appreciably expand the capital base available to the private sector; neither did they effectively promote activities of domestic business.

State-level banks, insurance companies and development finance companies proliferated as new states were created and state incomes burgeoned. It has been noted that participation by the Commonwealth Development Corporation (CWDC) was largely replaced by State finance (Forrest, 1987). The Northern Nigeria Development Corporation (NNDC) succeeded the old northern Regional institution, albeit under a state-based military government structure, and indeed continuing under the joint ownership, of the ten northern states (created out of the defunct Northern Nigeria). During the 1970s the NNDC, under joint ownership expanded its activities and created four holding companies, including the Northern Nigerian Investment Limited. In the East, the newly created East-Central State established the Central Investment Company Limited, to succeed the Development Finance Company, a joint venture of the erstwhile Eastern Region and the CWDC. In addition, new investment companies were established during the early 1970s, by Cross River, Kwara, Kano and Kaduna States (Okigbo, 1981, 145-153).

In the Second Plan, the FMG acknowledged that the provision of agricultural credit would go a long way at stimulating increased food production, as well as enhancing the income of the rural population. According to Yusufu (1996, 247), even this initiative for change, which in part may have accounted for its sloppy implementation, came from outside, following a World Bank agriculture survey and recommendations. The World Bank and the USAID recommended the development of agriculture credit facilities in the late 1960s, following which two feasibility studies were undertaking

(Nwankwo, 1980, 112). As a result, the Agricultural Bank Ltd., (renamed Nigerian Agricultural and Cooperative Bank) was established in 1973, with an authorized capital of NG12 million to provide financing for entrepreneurs going into the agriculture sector. The Bank's responsibilities were broadly defined to include assistance to all aspects of agriculture development and production. The Bank was intended to expand both sector and geographic spread of agricultural credit.

The need to develop smallholder credit was recognized, even as it was considered less realistic in direct implementation. The Bank therefore concentrated on funding state governments and public corporations, for onward lending to individual farmers, and allotted a substantial portion of its loans to state production schemes. In addition, it directed resources to large-and medium-scale private farming ventures and agro-industries. Ironically with its style of operations, the Bank reinforced and perverted one of the most cardinal reasons for its establishment. That is to say that the Bank showed a general preference in agricultural policy towards large scale investments, which it administered through the state, rather than directly to the intended beneficiaries-small farmers (Uzoaga, 1981, 213). It thus reinforced and sustained "middlemanship" in all of its variabilities. Indeed the FMG's significant activities in the agriculture were one of truly mixed results, mainly on account of inconsistency.

Overall government's efforts in this critical area (agriculture) were disparate, ineffectual and poorly coordinated. Policy statements were markedly inconsistent with policy implementation. For example, although the original thrust of the policy was to aid smallholder agriculture, the components of a broad, effective strategy were absent due largely to inadequate investment coupled with inconsistent policies, resulting in fall in per capita production. The FMG sought to expand state intervention in the agricultural sector through large capital-intensive projects, and to increase Federal control over the administration of rural development. Unfortunate fiscal and institutional centralization led rapidly to the politicization of the process and projects, culminating in their appropriation as a source of rents and patronage (Yusufu, 1996, 247) and corruption and mismanagement of the process.

Besides poor management and corruption of the process, which effectively slowed implementation, the situation was not helped by the constant fluctuations in exchange rate. The exchange rate steadily appreciated, just as producer prices remained relatively low, due largely on account of the price and market in-sensitive activities of the marketing boards. A situation made worse by the inadequacies of both the market organization and support infrastructure. Consequently, despite large expenditures, agricultural export production diminished, even as rural-urban migration accelerated. The urban migration phenomenon and the resultant rising income fostered a shift in consumption toward imported staple food, especially rice and wheat. The end result was that food import escalated rapidly during the late 1970s, as Nigeria became the largest importer in Africa (Michael Watts, 1987; Bienen, 1985).

Due to their peculiar climatic conditions, the North always had an agricultural advantage, which was greatly encourage by the colonial authorities. Although extensive irrigation was encouraged, pilot project during the1940s and 1950s fared poorly (Richards Palmer-Jones, 1987, 149-157). Originally conceived under the auspices of the World Bank, feasibility studies undertaken in the 1960s by the FOA, USAID and CDC supported the creation of large-scale regional irrigation schemes, and subsequently recommended the development of wheat cultivation in the North (Bjorn Beckman and Gumilla Andrae, 1987, 80-86). Under this scheme was established the Chad River Basin Development Authority (CRBDA), the Sokoto-Rima (SRBDA) and the Hadejia - Jama'are (HJBDA).

Although the RBDAs were initiated with a view to promoting the production of wheat, rice and other food crops, through the expansion of available land and the establishment of large state production programmes, it is doubtful that was achieved. The initial projects beginning in 1973-1974, which included the Chad Basin's South Irrigation Project, the Bakolori Project and the Kano River Project were federally administered. Hence suffering the same fate as other FMG patronizing projects: corruption and mismanagement.

What seems inexplicable is why the programme was expanded during the later part of the decade, despite obvious ineffectiveness. Indeed irrigation claimed 39 per cent of the Federal capital budget for agriculture under the Third Plan (3rd NDP, 85), and by the early 1980s, expenditures on the RBDAs were in excess of NG2 billion (Beckman and Andrae, 1987, 114). Implementing these pilot programmes claimed huge capital outlays, as they entailed extensive construction and land preparation. Notwithstanding, material outcomes were slow, even as the projects yielded little output.

Agricultural Development Projects, (ADP) initiated in 1975-1976 were managed and co-funded by the World Bank, to deliver packages of inputs and to introduce improved techniques, as well as develop extensive services and infrastructure in the producing areas. By 1980, the number of ADPs increased to seven: Ayangba (Benue), Lafia (Plateau), Bida (Niger) and Ilorin (Kwara) all in the middle Belt region. The pressure for more geographic spread and inclusion resulted in the introduction of projects in Oyo North (Oyo), Ekiti Akoko (Ondo) and Egbado (Ogun) all in the West. What is particularly noteworthy and equally disappointing was that these ADPs in late 1970s and early 1980s functioned most significantly in the seemingly inconsequential, and contrary to their primary purpose, of supervisory and managerial role of massive importation and distribution of fertilizers. Indeed fertilizer imports, federally subsidized by as much as 90 per cent, increased from 34,000 tons in 1970 to 513,000 tons in 1980 (Watts, 1987, 80). As a matter of fact the provision of fertilizer was not only a significant component of the FMG's "Operation Feed The Nation" under General Obasanjo, it also formed a critical component of President Shehu Shagari's "Green Revolution". All of which turned out a futile symbolic exercise at implementing an ill conceived and poorly managed exercise at promoting food self-sufficiency through smallholder farmers.

The attempt by the FMG to reform the Marketing Boards, which had become an effective engine of regressive taxation to produce farmers seemed too little, too late. For example, a study of the Palm Produce Board found that when the official price was NG230 per ton, no farmer received more than NG180 and some were paid as little as NG135 (Bevan, Collier, and Gunning, 1999, 146; Yusufu 1996, 291). By 1967 Lewis expressed some concerns that agricultural exports which he considered the country's engine of growth, would stagnate due to the activities of the Marketing Boards"...clearly the governments have their hands on the throat of the goose which is laying the golden eggs" (1967, 20). Reforming the Marketing Boards' regime was not until 1974. Even then, it was rather tentative, in that taxes amounting to 20 per cent of export proceeds were first halved by the FMG and subsequently abolished. The power to fix producer proceeds was also transferred from the Boards (which indeed were state's Board) to the FMG. Producer prices would have doubled in 1973-1974 due to the reforms as well as rising world prices. In 1977 the state Boards were effectively abolished and the country centralized federal control. Besides, the country returned to a system of crop-specific boards and the addition of new crops (rubber and grains) to the four traditional crops of cocoa, cotton, groundnuts, and palm produce. It would appear that none of these innovations had the desired effect, either because the price increases were not sufficiently stimulating to revive export agriculture or that the national commodity Boards were no less corrupt and inefficient.

For the food crops however, government intervention had little effect on prices. Interventions were always sudden and rather inconsistent, and especially through trade policies, which it was hoped, would impact domestic prices. For example the tariff on rice was lowered from 67 to 20 per cent in April 1974, reduced to 10 per cent in April 1975, raised to 20 per cent again in April, 1978, and reduced again to 10 per cent two months later. Overall, it would appear that government intervention in agricultural marketing was not just through its trade policy and the operations of the Boards; it also subsidized inputs including pesticides, improved seeds (50 per cent), and most notably fertilizer, which in 1982 accounted for one-third of all agricultural public expenditure.

The FMG's attempt at establishing production companies for major food crops; coffee, tea, fish, poultry and livestock did not fair significantly well in contributing to national output. Indeed, the companies' contributions to national output were embarrassingly negligible, either because of government's relatively small equity contribution (combined equity contribution in six companies, NG30 million) or the usual official corruption and mismanagement of the process. [3]

The Infrastructure Programmes, transport, power and housing, expanded during this period partly in response to such highly visible problems as endemic power cuts. Even then, it would appear that the programmes were constrained by the inability to construct and administer them rapidly rather than by a lack of finance. The suggestion that by mid-1970s, the Nigerian economy appeared to have encountered the proverbial bottleneck (Bevan, Collier and Gunning, 1999, 64; Olatunde Ojo, 1985, 145-147) is perhaps attributable to the fact that many of the new infrastructure investment were channeled through existing but extremely corrupt, poorly run and ineffectual state enterprises, like the Nigerian Ports Authority, the Nigerian Railways, the Nigeria Airways, Posts and Telecommunications and the Nigerian External telecommunications, which became the conduit for implementation (3rd DP, 229; Ignatius I. Ukpong; 1979, 68-69).

The Electricity Corporation of Nigerian (ECN) established in 1950 and the Niger Dams Authority created in 1962 were both merged to form the National Electric Power Authority (NEPA) in 1972. The new Authority, which was responsible for generation and transmission, supplied about 98 per cent (by 1974) of the electricity consumed in Nigeria. The Nigerian Electricity Supply Corporation and the African Timber and Plywood Company supplied the balance of 1-3 per cent. State governments were also authorized to generate and distribute electricity in their states, where NEPA was not available (Ukpong, 1979, 78-79; Ernest J. Wilson, 1983). Increased industrial consumption, coupled with urban migration created high demand for electricity, even as NEPA was unable to expand its installed generating capacity, a situation that has continued to degenerate and have since reached crisis proportions and completely stalled market and economic development.

Infrastructure development consisted a major portion of government spending during the period. Transport, communications, power, housing and education comprised nearly half of the Third Plan. Although the responsibility for road development in Nigeria is shared between the Federal, State and local governments, the federal roads programme alone at NG4.35 billion, accounted for 13 per cent of the entire public capital programme (3rd NDP, 200). The programme, which called for the expansion and modernization of the two international airports in Lagos and Kano were not fully completed, neither was the proposal for the provision of airport facilities for each of the states of the federation fully implemented.

The realization that long distances, difficult terrain and climatic conditions pose special problems if the market and economy are to continue to develop led to the establishment of new enterprises in the transportation sector. By 1976, a road transport firm, the National Freight Company, was set up. The National Cargo Handling Company was set up in 1977. So also was the Central Water Transportation Company. While the former was to rationalize operations at the ports, the later (set up by the six central and eastern states) was to develop river transportation. The Nigerian Airports Authority created the following year (1978) was to administer the renovation and expansion of the nation's airports. That these massive projects, including the extensive road construction, were undertaking by foreign private contractors attests to the dearth of expertise and organizational capacity, both in planning and supervisory implementation to achieve desired results (3rd NDP, 403, Ojo, 1985, 146).

At the state level however, the proliferation of states and the concomitant increase in revenue disbursement created an up-surge in public enterprises and spending. For example, in 1970 the states owned about 200 enterprises, but by 1979-1980, they have increased to about 600. The suggestion is that one of the strong arguments for more state creation was to be able to bring government and development closer to the people. Whether that was realized or not is not the issue here, categorically they were not, the point is that throughout the 1970s, state's revenues and the programmes of the Federal government exceeded development activities. However, state expenditures, in their expanded context, provided a central avenue for enhancing rural value and localizing the allocation and disbursement of petroleum rents, even as it created the tendency to greater insularity, inward-looking and self-centered economic interests (Yusufu, 1996, 40). The states, in large part, assumed the same roles as their erstwhile regional predecessors in providing capital and patronage for domestic business, in an extremely corrupt and mismanaged environment.

In their seemingly indiscriminate effort at promoting light and medium-size industries, including manufacturing ventures, banking, insurance and investment companies, the states were as indiscreet as their regional predecessors. Not only were some of the projects undertaking redundant, they lacked any rational economic justification. It would appear that, as with the erstwhile regions, dubious projects and investments were hastily conceived and implemented, just as payments were promptly delivered to contractors, who invariably failed to complete the contracted job.

CONCLUSION

What is apparent from the foregoing is the scope and ambitiousness of the various projects undertaking by the FMG of Murtala/Obasanjo. Obviously conscious of the general underfulfilment in the previous Plans and the fact that they had not meaningfully impacted the ordinary citizen, the FMG under General Obasanjo (in the 3rd Plan) was emphatic that serious efforts have been made to emphasize those sectors that directly affect the welfare of the ordinary citizen. As such that at the end of the current Plan period, every Nigerian should experience a definite improvement in his/her overall welfare and standard of living, especially in the areas of housing, water supplies, health facilities, education, rural electrification and community development (3rd NDP, 1975-1980, ch. 1, 10). That these projects failed to realize their projected goals or attain substantial fulfillment seems to confirm an unsettling feature prevalent with the previous military administration that was overthrown. For in evaluating the success of the preceeding (3rd Plan), the 4th Plan noted that "although concrete and detailed data are not available, there are indications that the last decade has not seen any significant improvements in the distribution of our national income and wealth (4th NDP 1981-1985, ch. 4, 40). Economic development policies failed to meaningfully impact or trickle down to the citizenry whose standard of living they are supposed to improve. Inevitably therefore, by whatever standard or measure military "leadership" defines development, to the extent that the welfare of the average citizen is not positively impacted, it is failure. It should be noted that the unavailability of reliable data in policy formulation, and the dearth of skilled manpower have not made the process any easier. Besides, recurrent corruption and mismanagement have made the situation worse.

Indeed, Nigeria is adjudged one of the most corrupt and unmanageable countries in SSA, inspite of military intervention, (or perhaps due it) which had as one of its main justifications the elimination of, repeat occurrences of mismanagement and corruption.. Interestedly enough, it would appear that during the relevant regime, the exercise at curbing this national state of affairs was primarily consigned to the state level. Numerous commissions of inquiry covering dozens of enterprises were commissioned in the mid-1970s for states like Bendel, Kaduna, Kano, Kwara, Lagos, Ogun and Rivers. As would be expected, these tribunals uncovered widespread mismanagement and corruption, political manipulation in inflated and uncompleted contract execution (Sibyl, E. Moses, 1979, 191-217). Predictably, the Commissions of Inquiry documented a litany of facts, resulting in widespread "purges" within the state enterprises, as well as created the political ammunition for new military adventurists, in quest for takeover. Again as had become the tradition, few meaningly policy or institutional reforms were ever instituted from this state of disclosures, and the same abuses were repeated and often times exceeded throughout the boom era.

ENDNOTES

1. See the Nigerian National Petroleum Corporation (NNPC) Annual Report on the Petroleum Industry, 1975-1976, 11-13. The Decree, *inter alia*, 1. Redefined petroleum to exlude gas; 2. Reduce the length of concession periods from ninety-nine years to twenty years; 3. Set out clearly the period and stages for surrender of acreage granted under concessions; 4.Required that within ten years producing companies must Nigerianize their most senior positions up to 75 per cent and 100 per cent for other cadres; and 5. Set out procedures for acquisition of land for oil development and tranportation purposes and for payment of compensation to owners of such land.

2. Interview with John Okwesa, General Manager, 1973-1975, Nigerian Ports Authority, in Lagos, on July 2nd and 3rd, 1999.

3. The unpublished report of New Decade Consultants on Funding Programme for Government and State-Owned Companies. The Food Production Companies, Cabinet Office Lagos.

CHAPTER EIGHT

MARKET AND ECONOMIC DEVELOPMENT IN THE SECOND REPUBLIC: 1979-1983 (UNDER PRESIDENT SHEHU ALIYU SHAGARI)

INTRODUCTION

Although his administration's economic development policies failed to meaningfully impact the living standards of the citizenry, the administration nonetheless, implemented the government's promised transition programme, culminating in the 1979 constitution and the election of a new civilian government. The new civilian administration was modeled along the lines of the United State's presidential and legislative structure. The only difference perhaps was the pointedly disruptive inclusion of "Federal Character" principle, which required a balanced representation from all areas of the country, not only for electoral competition but also for all federal appointments, employment and allocations in the public sector (Dudley, 1982, 162).

The basis and functional structure of the Second Republic was embodied in the 1979 constitution which articulated among other things, a set of national economic objectives: 16 (1) The state shall, within the context of the ideal objectives for which provisions are made in this constitution:

(a) Control the national economy in such a manner as to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity; (b) without prejudice to its rights to operate or participate in areas of the economy other than the major sectors of the economy, manage and operate the major sectors of the economy; (c) without prejudice to the right of any person to participate in areas of the economy within the major sector of the economy, protect the right of every citizen to engage in any economic activities outside the major sectors of the economy (J.O. Akande, 1982, 16).

This inclusion seems designed to allow the government play a dominant role in national economic activities. According to some opinions, the import is unmistakable. "Major sectors of the economy" as defined "is sufficiently wide to enable the government to assume any degree of control over the economy of the nation... The public sector plays a large and leading role..."(Akande, 1982, 17). It is perhaps in light of this emphasis on market and economic development that policy initiatives under President Shagari in the second republic were implemented. Policy initiatives under President Shagari may have been bereft of the dictatorial *fiat* that characterized military administrations, the party structure and political considerations nonetheless dictated a lot of policy changes and imperatives.

EMERGENCE OF THE SHAGARI GOVERNMENT

The political parties that emerged when the ban on political activities was lifted in September 1978 was, in large part, no different from the experience of the first republic, in that the patterns of distributive contentions were replicated (Richards A. Joseph, 1987, 44), and parties' alliances were more sectional and bereft of any competing ideological components (Bienen, 1981, 131). The National Party of Nigeria (NPN) led by Alhaji Shehu Shagari, which subsequently won the 1979 presidential election was characterized as an artifact whose constitution was a carefully designed system of patronage. So pervasive was this atmosphere and sense of patronage that it has been suggested that "a more appropriate name for the party would have been the Party of National Patronage" (Forrest, 1986, 8). Notwithstanding, these compoundingly burdened circumstances, the second republic began under the notorious cloud of judicial interpretation of the sum of 12 2/3 of 19 states. [1] The Supreme Court's resolution of that context in favour of the NPN was as controversial as the political disputes that led up to it (Toyin Falola and Julius Inhonvbere, 1985, 70). Rather ironically, the contentiousness of that exercise and the recriminations that followed the court's decision was a disquieting reminder that political activities in the country was still a desperate enterprise and a zero-sun, "winner-take-all" game, in which the party in power, to all intents and purposes, managed and distributed national wealth as it pleased (Diamond, 1982, 662).

The distributive conflicts evident in the second republic were as complicated as they were diverse, especially in view of the creation of more states, which inevitably fostered more resource allocation competition and conflict. The situation, especially the political economy, was characterized by much more extensive state economic tutelage, which no doubt intensified the patrimonial orientation of the state elites, and made entree into that stratum much more important (Diamond 1988, 66). To all intents and purposes, it was a return to the prebendal politics, the personalistic and preferential appropriation of public office and resources, where public powers and state access essentially provided the basis of private accumulation. Indeed ethnically defined patron-client networks formed the basis of the prebendal system (Joseph, 1983, 59-65).

The new civilian administration did not initially alter the policy and economic strategy or focus it inherited from the preceding military administration. The predominant initiatives were essentially a carry-over. It would appear though, that the new administration's activities were in large part a function of the government's fiscal circumstances, especially the state of oil export. There also appeared to be little, if any, emphasis on national growth, as the new government lacked any detailed programmatic direction toward economic growth or adjustment, even as decision-making and policy implementation passed onto its executive political appointees. It was a shift that predictably set the tune of the new administration. According to Bevan, Collier and Gunning, "The return to democracy thus represented a massive shift of players away from the small coterie of permanent secretaries and generals, who had managed the first oil circle and who were devoted to national growth through public capital formation" (1999, 90).

MARKET/ECONOMIC GROWTH AND EXPANSION

It has been suggested that despite the discontinuity in policy formulation engendered by the return to democracy, the new civilian administration was conscious of the rapidly changing economic circumstances and felt disposed to evolve a development plan that acutely articulated and reflected these emerging realities. Whether or not it meaningfully effected that is another matter. More so as the Third Plan had turned less successful. For "although concrete and detailed data are not available, there are indications that the last decade has not seen significant improvements in the distribution of our national income and wealth" (Fourth National Development Plan, 1981-1985, 40). The 4th Plan, introduced in March 1981 therefore had as its policy objectives "the attainment of rapid economic growth and structural change with relative stability of prices", as it sought "to ensure that the annual rate of increase in the general price level is kept below 10 per cent" (4th NDP, 1981-1985, 40). In the light of the reduced foreign exchange earnings due to oil glut in the world market, the plan acknowledged obvious limitations when it stated in part "revenue prospects though reasonably bright cannot be regarded as rosy" (4th NDP, 41), Even then the plan budgeted for the public sector programme, an expenditure of NG 70.5 billion; 24.2 per cent had to be covered by loans, partly internal and partly external. The private sector programme accounted for an additional NG11.5 billion (4th NDP, 387). However, these allocation patterns seem rather arbitrary since the breakdown and rationale appear to be obscure and unfounded (Yusufu, 1996, 78).

For example, the public sector programme of NG70.5 billion was about 63 per cent higher than the revised Third Plan of NG43.3 billion. This huge increase is as curious as it is inexplicable. Indeed it defies reason, given that the Third Plan was largely under fulfilled. The plan was expected to induce an economic growth rate of 7.2 per cent annum for the GDP. A rapid growth in agricultural production was to be the first priority, followed by education and manpower development, the strengthening of economic infrastructures (power, water supply and telecommunications) and housing and health, in that order. (See Table 8.1 for the GDP sectorial growth rates proposed under the fourth plan).

Embodied in the Plan also was high priority to increasing industrial productivity (Legum, 1981, B583; Olayiwola, 1987, 127) by promising to encourage "the maximum growth of investment and output as to ensure a realization of the country's industrial potential in the shortest possible time". The projected growth rate 15 per cent for the manufacturing industry was anticipated for the plan period (Legum, 1982, B526-27).

GDP Sectorial Growth Rates Proposed Under The Fourth Development Plan, 1981-1985

TABLE 8.1

S/No	Sector	Planned Growth Rate per Annum
1.	Agriculture	4
2.	Livestock and Forestry Fisheries	4
3.	Mining and Quarrying	2
4.	Manufacturing	15
5.	Utilities	15
6.	Construction	5
7.	Transportation	12
8.	Communications	15
9.	Wholesale and Retail Trade	10
10.	Housing	8
11.	Producers of Government Services	12
12.	Other Services	10
13.	Gross Domestic Product	7.2

Source: Fourth Development Plan, Chapter 5, Para 3, p.46.

EVALUATING POLICY OUTCOME

It would appear that no systemic effort was made to implement the Fourth Plan neither were the projections realized (Onyejekwe, 1981, 161 Yusufu, 1996, 85). As indicated in Figure 8.2 there appears to be obvious short falls in plan projections and so was actually realized revenue during the plan period. The estimates for the Fourth Plan were based on projections of revenues derived from sales of crude oil in 1979 and 1980. These essentially envisioned a production rate of 2.19 million barrels per day at $36 per barrel (Bienen, 1985, 54). Both projections were off the mark and by August 1981, oil production fell to 650,000 barrels per day, as the world market experienced a glut. So was revenue from oil, which declined from $23.4 billion in 1980 to $10.0 billion in 1983.

TABLE 8.2

PLANNED AND ACTUAL FEDERAL REVENUES
1980-1985
(n MILLION)

Year	Planned	Actual	Actual as% Planned
1980	16,008.3	15,234.0	95.2
1981	17,837.6	12,180.1	68.3
1982	19,837.6	10,143.9	53.0
1983	19,638.1	10,811.4	55.1
1984	20,758.8	11,133.7	53.6
1985	22,455.8	14,606.1	65.0

Sources: Fourth National Development Plan; Central Bank of Nigeria, Annual Reports

Unfortunately, the administration was culpably irresponsive to the rapidly changing economic environment. Aware of the short fall in government revenue and the failure to prioritize expenditures at the critical moment to reflect changing economic times may be attributable to four types of pressures for public expenditure under the NPN administration:

> "First there were direct expropriations made by elected officials in their own favour. Second, there was intense lobbying to break into the distributive network. Third, there was an incentive to generate public contracts not because of their output but also because of the opportunities for corruption. Finally, there was the continued desire for the national prestige projects that had characterized the military regime" (Bevan, Collier, and Gunning, 1999, 90).

Expenditures increased tremendously, especially as public expenditure was probably the most expedient opportunity for kickbacks on contracts and public employment. Agricultural expenditure grew, as more agricultural development projects were initiated and expanded. The highest priority was given to agriculture, which was allocated over 10 per cent of the total planned expenditure (Legum, 1982, B523-24). The launching of the administration's signature agricultural promotion programme "The Green Revolution" sought to emphasize the "revitalization of the small landholders" as well as encourage the establishment of privately owned large-scale farms.

According to Claude Ake, of the NG 972 million earmarked for agricultural input in the Fourth Plan, NG470 was spent on the purchase of fertilizers, which was surprising in the face of current scandal about the purchase of fertilizers, which were never utilized. "There are mounds of fertilizers all over Nigeria decomposing in the rain" (1985, 30). Without question, the agricultural revolution of the administration, the "Green Revolution" was an unmitigated disaster, as food imports rose dramatically and the Nigerian National Supply Company (NNSC), established in the Third Plan to import and distribute essential goods was believed to have worsened the situation (Editorial National Concord, 25 November, 1983). Indeed the NNSC was not only seen as a failure, but was increasingly perceived as an extremely corrupt NPN institutional structure for delivering subsidized consumer staples to favoured constituencies, as well as lucrative distributorships for party supporters.

Public ventures were unjustifiably expanded, even as industrial allotments spiraled. The patronage system permitted and even encouraged project costs to quadruple, and new, costly and ambitious, albeit unnecessary, projects were introduced. The administration allocated over NG1.billion to the iron and steel project in its 1981 capital budget, and at the same time appointed a cabinet minister to be solely responsible for the new ministry (Tijjani and Williams, 1981, 258-265). Perhaps the corroboration that the momentum behind public expenditure was the opportunity it provided for kickbacks on contracts and public employment, than earnest exercise in public infrastructure development is demonstrated in, the contract for a major dam construction project that the last military government had awarded for (US) $120 million. It was promptly renegotiated by the new administration for $600 million, with the difference allegedly distributed among the parties to the contract. It has been suggested that the River Basin Development Authority Programme provided a clear instance of the priority of rents on contracts. For example, the Bakalori project incurred costs per irrigated hectare that were apparently 15 times greater than those in similar projects in Cote d'lvoire (Bevan, Collier, and Gunning, 1999, 91). Industrial expansion, like any other policy issue remained an *adhoc* exercise of project financing and political competition over siting, contracts and capital. Only a refinery and three steel rolling mills were commissioned during this period, including the poorly thought out, hastily implemented, new federal capital territory development in Abuja inherited from the military.

However, as petroleum revenue fell drastically by 1981, the pressures for public expenditure could not be accommodated without a budget deficit. Indeed by the second half of 1981, the budget had already run into massive deficit. Government indebtedness to the financial sector rose from NG2.3 billion in June 1981 to NG6.8 billion by February 1982. And rather incomprehensibly, the 1982 budget estimates for current expenditure were double their 1981 level, in what the government had dubbed the "austerity" budget. The administration was unable to ensure adherence to budgetary goals (Yusufu, 1996, 78-88; Falola and Inhonvbere, 1985, 106). Obviously the choice the government made reflected not just the balance of interests within the government, but also the near vacuum in national policy formulation and the absence of centralized budgetary planning (Bevan, Collier, and Gunning, 1999, 92; Forrest; 1986, 14).

Although in his 1980 budget speech, president Shagari insisted that the mere fact that the country was currently experiencing rising crude oil prices should not be taken as a signal for the kind of import liberalization of 1975-77, his government's trade policies and overall management of the foreign exchange reserves appeared inconsistent, unpredictable and even reckless. The government evolved a scandalous import-licensing scheme, coupled with a large-scale importation of rice and fertilizers (Forrest, 1986, 20). The financial recklessness of the administration guaranteed that by April 1982 a foreign exchange crisis had ensured and during that year the final IMF entitlement was drawn. According to Bevan, Collier, and Gunning, by the end of 1982 and aggravated by the Mexican debt, Nigeria had become quantity rationed (QR) in the world credit market. In just three years the public sector had so inflated expenditure that the country had passed through the phases of revenue surplus, reserve depletion, and foreign borrowing (1999, 92).

Faced with a decline in both federal and state revenues and rapidly degenerating foreign exchange crisis, the government chose to borrow abroad through syndicated loans for specific projects. External debt, which had been \$2.7 billion in 1978, was \$14.4 billion by the end of 1983. Both the federal and state governments seem to have displayed the same degree of financial rascality and irresponsibility in the scramble for foreign loans. The states are said to be responsible for about \$2 billion of this total national debt.

The biggest constraint at the federal level was foreign exchange and government responded by direct control of allocation by rationing. Import licenses were restricted, duties increased and import deposit scheme was introduced. When, understandably, these measures failed due largely to continued financial indiscipline and mismanagement and a lack of prioritization in an increasingly corrupt NPN government, the payments deficit was financed by what appeared the only means available: the involuntary accumulation of trade arrears, which increased during 1983 by \$4.7 billion. Even when attempts were made at cuts in public expenditure, it was an indiscriminate 40 per cent across the board with no discernible focus or attempt at prioritization. The situation was compounded by the legislative and presidential elections due in August 1983. In January of that year, there was a large extension of import license, many of which were channeled through to presidential task forces, with some of the profits kicking back into party funds. Licenses were also distributed to the states and then sold by governors to the highest bidders. Without reference to the Licensing Committee (supposedly in charge of the process) licenses permitting NG682 million in imports were issued during 1983. According to some opinions, if these licenses are valued at the black market rate prevailing in 1983, the rents on them were worth more than NG 1 billion (Bevan, Collier, and Gunning, 1999, 93). However, the continuing budget deficit engendered was now financed mainly by inflation. Bank credit to the public sector grew 50 per cent in 1983 and inflation was more than 50 per cent. Between 1981 and 1983, GDP declined by 8.5 per cent and consumer prices rose at an annual average rate of over 20 per cent (Paul Hackett, 1988,767), while unemployment remained a major problem (Falola and Ihonvbere, 1985, 85-145).

The administration also accorded high priority to increasing industrial productivity (Legum, 1981,B 583; Olayiwola, 1987, 127) by promising to encourage "the maximum growth of investment and output, so as to ensure a realization of the country's industrial potential in the shortest possible time". A projected growth rate of 15 per cent for the manufacturing industry was anticipated for the plan period (Legum, 1982, B526-27)

Perhaps much more dis-enabling in President Shagari's economic policy formulation and implementation was the ineffectual attempt at effective coordination. Economic decisions were dispersed over three ministries (Finance, Industries and Commerce), the Central Bank, Budget Bureau, and the Council of Economic Stabilization and Implementation Committee was established within the Office of the President. And given the infectious and larcenous patronage system of the NPN government (Forrest, 1986, 8), the committee was a little more than a talking shop, representing competing political and economic interests within the party. For example, the Committee's Report avoided any discussion of the exchange rate, which according to some opinions, was a critical issue by 1983. Indeed, the suggestion is that the commission was never intended to provide a serious critique of government economic policy, but to give the impression that something was being done (Bevan, Collier, and Gunning, 1999, 93-94; Forrest, 1986, 15).

REFORM IN THE ADMINISTRATION

It would appear that the NPN party constitution that pretty much guaranteed a regional dispersal of power, failed to establish enforceable rules of democratic conduct within the party thus encouraging political brigandary and corruption, which effectively constrained the president from imposing discipline. For instance, as widespread and as mind-boggling as corruption and incompetence had become such obvious public knowledge by mid term, only two ministers were replaced in his cabinet reshuffle. And yet that reshuffle was billed as a serious attempt by the administration to sanitized and bring about competence, discipline and accountability to the administration. At the end of the day, public opinion characterized the exercise as laughable whitewash (Newswatch, February 15,1982).

However, in what appeared to be some attempts at selective reform, the administration made some efforts at public sector reform. One of such efforts was the Presidential Commission on parastatals. Gamaliel Onosode chaired the Commission. The Onosode Commission was responsible for conducting a comprehensive inquiring into the organization and operations of the nation's public enterprise sector (Report of the Presidential Commission on Parastatals, 1981). Subsequent Commissions of several other consultants (Arthur Anderson; Coopers and Lybrand; Pai Associates; Paul Taiwo; and

Milestone) was initiated, with a view to rationalizing funding programme for public enterprises, as well as examine the financial administration and operational problems of thirty-four of the nation's leading State-owned Enterprises (SOEs).

The Onosode Commission was particularly critical of the need to rationalize the relations between government and parastatals, as well as the importance of developing management capabilities, with emphasis on the separation of many public enterprises from civil service salary and personnel structures (Report on Presidential Commission on Parastaral, 1981, 36-37). The commission was also favourably disposed to the issue of privatization, even though that was less of its particular emphasis or priority, in view of the obvious lack of onground support infrastructure to implement such exercise. On the part of the independent consultants, their views on the SOE's fiscal prudence, independence and less reliance on the federal government subsidies were uniform. They proposed improving the capital bases of the major SOEs, liberalizing public sector ventures and improving accounting and monitoring system within government firms.

Apparently good intentions and the expediency of public display, or playing to the political gallery, if you will, made the difference between commissioning an exploratory Commission, including independent Consultants, and the implementation of their recommendations. As pointed out earlier, the President and his NPN party lacked both the forthrightness and discipline to implement any of the recommendations or reforms. On the contrary, the public enterprise sector became politicized as the party leadership dispensed board appointments and dictated pricing, employment and investment policies. Management and accountability were seriously eroded. The continued level of patronage was so pervasive that by mid-term, the federal cabinet was enlarged to 45 ministers, to accommodate competing vested interests, with at least two members from each state, in what was characterized as the "National Party of Patronage" within a loose amalgam of baronies, each with its personal network (Forrest, 1986, 8; Bevan, Collier, and Gunning, 1999, 89).

It would appear that the proliferation of economic regulations and other regulatory strictures were deliberate, and were indeed designed to avail abundant opportunities for corruption and mismanagement. Civil servants exerted greater leverage over private transactions in rent extortion, even as businesses sought to evade or manipulate the new strictures. Obviously, the expropriation made by the political class effectively tantamount to a private and corrupt acquisition of public property on a massive and indiscriminate scale (Forrest, 1986, 4).

THE COLLAPSE OF THE SECOND REPUBLIC

According to some opinions, the central failure of the Shagari government, was not that it spent too much (although it did), but that the expenditures were so unproductive in the face of political chicanery, clannishness, nepotism and unmitigated bribery and corruption (Yusufu, 1996, 82; Bevan, Collier, and Gunning, 1999, 74). The combination of these activities and participants could not have been more ominous. Politicians, civil servants, private businesspersons, foreign suppliers and contractors held unprecedented and unbarring sway in the plundering of the national economy. The situation was so pervasive and all embodying, Schartrz characterized the excesses of the civilian regime as "private capitalism" (1984, 45-47).

The NPN party constitution, apparently deliberately designed to perpetrate the system of patronage, also had its "contagion" effect on some of the other political parties.

For example, although the Federal constitution provided that all public officers declare their assets on assumption of office the legislature refused and/or failed to pass the enabling bill. There were other indications of unbridled corrupt indulgences. At the first meeting of the parliament in 1979, after nearly thirteen years of uninterrupted military rule, the priority of members was to vote themselves large increases in salary and to unilaterally divert the newly completed public housing from the civil servants to their own use. In doing this they disregarded a housing provision made for them by the out-going military administration. A similar pattern occurred in the states. For example, in Kwara state the governor made payment of NG100, 000 to each of the 42 legislatures and awarded himself NG 2 million. Also, soldiers arrested the governor of Kano state, Sani Barkin Zuwo after the overthrow of the Shagari government in 1983. Found in his official mansion, without credible explanations were "huge bundles" of banknotes belonging to the state government (Bevan, Collier and Gunning, 1999, 90-91; Morris Szefted, 2000, 287-306).

The combination of a party constitution, which effectively guaranteed a regional dispersal of power but failed to establish enforceable rules of democratic conduct also encouraged regional baronies, who in turn looked to the national office as a means of financing their patronage requirements. Thus no one had sufficient power independent of patronage obligations to be able to pursue national objectives. This hopelessly dependent patronage structure, the rising costs of political competition and declining public resources, led to a degenerational economic situation and financial crisis. Popular expectation from a government, whose initial election in 1979 was of doubtful legitimacy, was compounded by unfulfilled campaign promises even as the administration displayed disturbing level of profligacy. All of these combined to exacerbate the frustrations of a population rapidly experiencing diminishing standards of living. The growing affluence of the political and business elite sharply contrasted with the dire living and economic conditions of the citizenry. There appeared to be this ever-evolving benefit to the "protected" class. This phenomenon was particularly significant because the mechanisms of patronage was always available, eve if in a new forms:

> "Whereas during the oil boom the main mechanism of patronage had been public expenditure, during the slump this source declined and was replaced by rent from foreign exchange allocation. An indication of the growth in such rents and the implicit tariff rates generated by import restriction is given by the evolution of the paralleled market premium over official rate. At the start of 1981 the premium was only 37 per cent during 1983, it surpassed 200 per cent, and by 1986 it was 330 per cent" (Bevan, Collier, and Gunning, 1996, 81).

CONCLUSION

While this level of corrupt patronage was going on, inflation increased, severe shortages in consumer goods (NNSC, the presidential rice and other essential commodities had been hijacked by political interest), bottlenecks in every facet of public service--- urban transportation, protracted power outages, refuse heaps in urban centers--- compounded the hardship and anxiety of an already impoverished, frustrated and yet dangerously excitable citizenry. This situation was not helped by the significant drop in oil revenue from about NG 9.9 billion in 1981 to less than NG8.5 in 1983. With the decline came an increasing dependence on food imports, as the production of food as well cash crops declined sharply. The resulting exodus of people away from rural farming communities into the cities heightened the agricultural crisis in food and cash crop production, as well as precipitating rapid urban squalor. By 1982 the national assembly had enacted the Economic Stabilization Act, ostensibly to reduce public expenditure profile of the state. However, the continued profligacy of the political elite drew opposition of public sector employees. It was a period of political chicanery, clannishness, nepotism and unmitigated bribery and corruption.

Even many of the manufacturing establishments, majority of whom have become hopelessly dependent on patronage allocation system, were forced to scale back or close down completely, following the shortfall in oil revenue and consequent shortfall in foreign exchange allocation. This was because the national manufacturing sector had over 90 per cent of its activities in the light manufacturing sector, and which depended almost entirely on imported inputs for its sustenance. By 1983 over 100 of these establishments, who were primarily in light manufacturing industries--- textiles beverages, cigarette, soaps and detergents (together accounting for over 60 per cent of the total manufacturing outfit)--- were forced to close since nearly 70 per cent of their inputs were imported (Legum,, 1984, B529; West Africa, 13 October, 1983, 25-38; Hackett, 1988, 771). By 1983, the total number of manufacturing establishments has declined to a low of 2112 from a high of 2342 in 1981 (Industrial Statistics Year Book 1985, 407). The overall situation was rapidly degrading. Even workers wages could no longer be guaranteed. By late 1981 seven states had defaulted on teacher's wages, and contractors because of non-payment of outstanding bills halted many projects.

By the turn of legislative and presidential elections in 1983, the rift between the contending political elites within their individual parties and across party lines have reached crisis proportions, especially as distributive patterns in the NPN government intolerably displayed a zero-sum proclivity. According to Diamond (1982, 656), an increasing alienation between the political class and popular constituencies was apparent.

The extremely corrupt, and insufferably shortsighted, NPN government was over-whelming adjudged to be unfit for a second term. When in the peculiar circumstances of the preparations for that election and the actual conduct of it, the NPN, under President Shagari not only won the presidential election, but an over-whelming majority of the legislative seats, in what party operatives dubbed a landslide, the second republic in Shagari's second term was doomed even before it started.

By the time the 1983 presidential elections rolled by, all the indicators showed a worsening social and economic condition. The Shagari administration did not only lack focus, it trivialized the institution of governance and legitimized private acquisition of public property. Apart from the ineffectual and sometimes hugely inflated prices for projects' completion (majority of which were inherited from the military administration of Obasanjo), the administration failed to evolve any effective or meaningful economic policy or poverty alleviation programme. According to Sir John Vereker, Nigeria's problems in the area of poverty is really "poverty of resources and living standards as a result of poverty of leadership...in a country which earns $18 (USD) billions per year in oil revenue of which $15 (USD) billion a year goes into the budget, that 70% of its population live on less than $1 (USD) that is deeply shameful. Nigerians have become poorer...it is not because you haven't got resources. It is because of dreadful governance" (This Day, June 30, 2001,Vol. 7, No.2260, 25).

ENDNOTES

1. The Constitution had stipulated that the winning candidate in the presidential election shall have won 25 per cent of the vote cast in two-thirds of the nineteen states. Incidentally the number of states in the country at the relevant time was nineteen, a seeming mathematical uncertainty, in dividing such odd numbers. The NPN candidate met this criterion in only 12 states and so the constitutional ambiguity was whether the attainment of two-thirds of 25 per cent of the vote cast in thirteen states would suffice. The Supreme Court, which decided in favour of the NPN, understandably could not ground its decision on sound jurisprudence. Observers perceived the decision as unabashly partisan, thus eroding the court's objectivity and the legitimacy of the new government. According to Tom Forrest, the perception of illegitimacy was self-fulfilling and in the attempt to secure its position, the party developed close links with the police and relied on them to help rig the subsequent elections (1986, 1986,12).

CHAPTER NINE

MARKET AND ECONOMIC DEVELOPMENT 1983-1985 (GENERAL MOHAMMADU BUHARI)

INTRODUCTION

The NPN government under President Shehu Shagari was overthrown in a military coup led by Major-General Mohammadu Buhari. It would not be inappropriate to contend that the overthrow was induced by a convergence of interests and events. Notably on the eve of December 31, 1983, the Shagari administration was manifestly corrupt, had accumulated enormous debts, high rate of inflation and unemployment, deteriorating terms of trade and a low rate of economic growth. It was estimated that the country's global debt at the time of the overthrow had reached $17 billion; trade deficit accounting for nearly $4.8 billion of this debt. Import imports had increased from an average of about $300 million a month in mid-1979 to $1.8 billion a month by 1983. It was also believed that the government's manifest profligacy was responsible for this state of affairs, including the decline in personal living standards of the citizenry (Onaolapo Soleye, 1985; Wall Street Journal, 21 February 1984, 31; African Economic Digest, March 1984). Indeed by 1983 per capita private consumption in real terms was almost 15 per cent below its 1981 level. (See table 9.1)

Public and Private Consumption and Investment, 1981-86 (1981=100)

Table 9.1

	Comsumption		Investment	
Year	**Private**	**Public**	**Private**	**Public**
1981	100.0	100.0	100.0	100.0
1982	95.9	96.1	55.8	95.1
1983	86.7	95.0	37.9	65.6
1984	79.2	77.6	53.9	40.3
1985	86.1	78.9	30.6	44.8
1986	76.2	73.5	39.3	39.3

Source: Bevan, Collier and Gunning 1992

It is believed that in a normal democracy a government presiding over such unprecedented (at the time for Nigeria) economic uncertainty and fall in overall living standards of the citizenry was extremely unlikely to be re-elected. But somehow, the Shagari government was elected for a second time in electioneering circumstances that was believed to be massively rigged through a combination of institutional police assistance and the tribal-cum patronage nature of politics in the country. The result (or the proclaimed result) of the election, for the opposition and majority of the electorate, was disappointing. The evolving sentiments of the opposition and their supporters were frighteningly reminiscent of the events leading up to the first military coup of January 1966: ominously pregnant with unpredictable, yet horrifying possibilities. It was in the circumstances of these unpredictabilities and economic uncertainties that the military took over, seemingly to the relief of the citizenry (Karl Maier, 2000).

MARKET/ECONOMIC POLICY INITIATIVES

General Buhari's 20-month rule was characterized by a combination of abrasive political attitude and stringent economic policies. The Buhari administration inherited an economy that was practically at the verge of collapse. Unfortunately it had no, at least not in the immediate circumstances of the overthrow, discernible policy goals. "However this policy vacuum was disguised by an application of simple military "virtues"--- discipline, hardship, and nationalism. The official policy stance of the Buhari government was a 'war against in- discipline'. Even though stringency was applied selectively" (Bevan, Collier, and Gunning, 1979, 94).

Notwithstanding, the Buhari administration sought to end the debt crisis, curtail corruption in all spheres of national life and to put Nigeria on what it had determined was the road to economic restoration and development. The administration's crisis management strategy was implemented in a framework and socio-political environment, which brooked no political opposition at home. Apart from the detention of politicians of the Shagari era, the administration promulgated a series of decrees to curb the freedom of press (Decree No.4) preventive detention of opponents on security grounds (Decree No. 2), and proscribed all demonstrations, processions and unauthorized meetings. It also proscribed all public discussions of Nigeria's political future, and with it, the National Association of Nigerian Students (NANS), Nigeria Medical Association as well as effecting the arrest and detention of its leaders.

The administration's policy thrusts sought to conserve foreign exchange by restricting "unproductive" usage; improving agricultural productivity (which in the 1984 and 1985 budgets received 21 per cent and 18 per cent respectively of the total capital expenditure); and emphasizing local sources of raw materials and technology (Legum 1985, B561; Adebabayo Olukoshi and Tajudeen Abdulraheem, 1985, 96-97). This level of austerity measure, in its drastic application curtailed foreign exchange provision for students studying abroad. It also placed restrictions on imports, by subjecting them to import duty requirements (Legum 1984, B532). And because of the widespread smuggling in the local currency, the naira, and the resultant capital flight, the administration proceeded to change to a new currency in the hope of stemming the tide. It is doubtful this policy option succeeded, in view of the seemingly irreversible decline in the value of the naira *vis-à-vis* other currencies.

It would appear that at the end of the day, the administration offered only a patchwork of tightened administrative controls, budgetary austerity and "redemption" propaganda, especially when it seemed that it failed to attend to what appeared to be the most critical issue ailing the market/economic system. For example, the administration failed to reach agreement with the IMF, especially on a $2.4 billion programme to restructure the country's debt, a process that had been initiated under the civilian administration of President Shehu Shagari (Effiong Essien, 1990, 70-72). The Buhari government refused to accept the conditionalities of the IMF package, which included a 60 per cent devaluation of the naira, outright removal of the petroleum subsidies, and trade liberalization. The administration did not believe it to be in the national interest. In the views of General Buhari:

> "...if we devalue our exports would be cheap, imports would be dearer. If so, the effect on Nigeria is irrelevant because we hardly export anything other than oil which is priced in dollars and which is subject to currency fluctuations, so devaluation doesn't make sense, because our industries hardly satisfy our needs up to 50 per cent...we are not exporting anything other than oil; finished goods are second, so that argument does not hold.. if we make it expensive, our end product would be more expensive, and inflation will go up again, so the argument is against devaluation in Nigeria, and we hope the IMF will see it that way" (New Nigeria, 4th April 1984, 16).

Needless to say, the IMF felt that FMG's position was untenable in view of the country's credit and balance of payments position. The situation reached crisis proportions when it became clear that debt-rescheduling agreements with the Paris and London Clubs were not even possible without the acquiescence and nominal approval of the IMF (Novicki, 1985, 4-9; Legum, 1985, B560). It is particularly noteworthy that inpsite of the absence of an agreement, the FMG on its volution and discretion, adopted a series of measure designed to qualify the country for debt repayment rescheduling, short of acquiescing to the IMF demands. In addition, it also evolved a retrenchment exercise that was intended to rationalize the public service, as well as weed the service of corrupt, unproductive (even though it is difficult to determine which public servant is productive in the prevalent dispensation) and undesirable elements. At the end of the day, over 15,000 federal employees – the largest in the country's history – had been disengaged. In addition, the government mandated across-the-board decreases in personnel in both the federal and state public services. According to some estimates, between the federal and state governments, close to one million public employees had been laid off by the end of September 1984 (The Guardian, 21, August, 1984, 12).

All of these measures taken by the adminitration failed to win over the IMF, who insisted on its primary conditions. Apparently it was with regard to the IMF's insistence on massive devaluation and removal of subsidies, including fuel that the FMG drew a line in the sand, so to speak. According to Peter Asimota, "while the Nigeria government under Buhari pursued conservative monetary and fiscal policies which the IMF would approve of, it draws the line at any massive devaluation, or direct interference by the IMF in domestic policy formulation or implementation" (1985, 9).

OTHER POLICY INITIATIVES AND IMPLEMENTATION

The FMG under General Buhari essentially continued to function within the framework of the Fourth National Development Plan, even as it identified particular areas of focus that it hoped would "...arrest the decline in the economy" and put it "on a proper course of recovery and solvency" (Onyema Ugochukwu, 1984, 1009).

The FMG felt particularly inclined to address the issues of foreign exchange, not only because of its impact on the national economy, but also the level of abuse the switch from rents on government contracts to rents on trade precipitated massive capital flight, including all kinds of schemes from overseas medical bills to over-invoicing. Indeed, the Exchange Control Decree No 7 was particular in its focus:

> "The basic strategy underpinning these regulations is to reduce both imports and the demands for foreign exchange. The regulations are three-pronged: (1) a lower ceiling on the total amount of exchange available to the public (that is the private sector); (2) end-use regulation of the reduced allocation; and (3) restrictions on the private sector" (Olatunde Ojo and Peter Koehn, 1986).

Essentially, the provisions of this Decree were targeted at corrupt politicians, bureaucrats and their subverting contractor-business fellow conspirators. But the impact on the rest of the citizenry, especially its all-embodying [1] prohibitions was one of perhaps unintended consequences. In their extremity, they made everyday international transactions impossible, both for the ordinary citizen and international investment community. An extremely regulated foreign exchange regime is hardly conducive to the effective and dynamic functioning of any market economy.

The impact of this foreign exchange policy was as far-reaching, as it was impracticable. For instance, due to foreign exchange regulations, which placed even essential medications under specific license (hitherto, they have been under general open license), the country faced a critical shortage of supplies in all hospital, resulting in the national doctor's strike of 1985. The FMG's reacted by purportedly dismissing all of the doctors in public hospitals, dissolving their unions and imprisonment the strike leaders (West Africa, 4 March 1985, 437). The impact of the policy, especially on foreign exchange remittance regulation on Nigerian student's abroad who could not be accommodated within the limited space of available number of universities in the country was the short and long term effect of manpower development in a country gravely in need of it (Ekekwe, 1985; Sunday Triumph, 14, October, 1984). It also affected the expatriate community who by now has their authorized remittances arbitrarily reduced from 50 per cent to 25%, without alternatives. It did not only discourage new investments, many of the investors and their expatriate employees resigned their appointments for reasons "not unconnected with the Federal Military Government's reduction of their home remittance" (Sunday Triumph, 14th October, 1984). The other impact of this policy can only be appreciated within the context of the dearth of functional alternatives. In the circumstances of this arbitrariness in policy formulation and implementation, the unpredictability of the system was thought to be extremely frustrating. Its overall impact on foreign investment could not have been worse.

The application of these new measures led to a reduction in imports to $11.7 billion, a reduction of over 10 per cent. In 1985, the government imposed a $3.5 billion ceiling on imports (Daily Times, 2 March, 1984). The new ceiling, a 70 per cent reduction from 1984 led to chronic shortages. By some estimates, prices of household commodities such as cooking oil and soap soared by as much as 400 per cent (New Nigeria, 2 March, 1985).

The government's introduction of price controls on a limited range of items was most helpful. Rather regressively, these controls were enforced on ex-factory, not at retail level. Consequently the data show that at the retail level, goods subject to ex-factory price controls experienced, if anything, more rapid price increases than unregulated goods, so the benefits of these controls accrued entirely to those able to make purchases at ex-factory prices (Bevan, Collier and Gunning, 1999, 95).

The policy implications on domestic production was as exacerbating. Many firms experienced shortage of raw materials and spare parts as a result of receiving only 10 to 15 per cent of their requested imports requirements. After many months of idle waiting and bureaucratic arbitrariness some of these firms closed down, while others operated at extremely below capacity, between 15 and 25 per cent (New Nigeria, 2 March, 1985). This state of affairs could only be appreciated within the context of the foreign exchange the government was contending with at the relevant period and the fact that, according to the Manufacturer's Association of Nigeria, over 60 per cent of all raw materials that local industry used in 1985 were imported. Even then, at no time did the sector contribute more than 7 per cent to GDP. Indeed it would appear that the sector's contribution to GDP actually declined during the 1970s and 1980s (Table 9.2).

SECTORAL COMPOSITION OF THE GROSS DOMESTIC PRODUCT (in Percentages)

Table 9 .2

Year	Agriculture	Manufacturing	Mining & Other Industries	Wholesale & Retail Trade	Transportation & Communication
1960	58	4.5	2	12	5
1961	61	5.0	2	11	5
1962	64	5.5	3	11	4
1963	57	5.5	2	12	5
1963	53	6.0	2	12	5
1964	50	6.0	2	12	5
1965	51	6.0	5	12	4
1967	52	7.0	4	12	4
1968	49	7.0	3	12	5
1969	44	7.0	8	12	4
1970	44	7.0	10	12	3
1971	42	6.0	15	11	2
1972	39	7.0	16	10	3
1973	28	4.5	18	20	4
1974	18	3.5	33	16	3
1975	19	5.0	22	20	3
1976	22	5.0	25	20	3
1977	23	5.0	24	21	3
1978	21	5.0	24	20	3
1979	20	5.0	28	21	4
1980	19	5.0	32	20	4
1982	22	5.0	24	21	5
1983	22	4.3	22	22	4

Source: United Nations, National Accounts Statistics: Analysis of Main Aggregates_ (New York: United Nations, 1979-88).

For example, output of all commercial vehicles declined from 30,000 units in 1981 to10, 000 in 1984 as most automobile assembly plants operated well below installed capacity. By some convoluted, yet understandable logic, at least in the circumstances of the relieving effect of huge alcohol consumption in depressive times, especially for a citizenry gravely impacted and depressed by economic hardship, the only industry that witnessed an increase in output was the brewing industry (Paul Hackett, 1988, 771).

EVALUATING POLICY OUTCOMES

In addition to its serious attempt at foreign exchange regulation, the Buhari administration articulated econmic and market development perspective in other areas. For example, General Buhari announced in his 1984 budget speech (the only one believed to be wholly articulated by his government) that the FMG was seriously considering "a proposal to amend the Nigerian Enterprises Promotion Decree to enable non-Nigerians to own up to 80 per cent of large farm projects" (Olyaiwola, 1987, 141). The policy shift was hoped to attract foreign private investment. It is doubtful whether this policy was ever implemented, given the limited span of that administration.

It is also noteworthy that because the administration effectively inherited the Fourth National Development Plan, it sought to implement the major components of the manufacturing policy under that plan, even as it abandoned some due to lack of resources flowing from the fall in crude oil sales. For example government expenditure was devoted to the manufacturing sector (steel development was allocated NG523 million). Obviously a 15 per cent reduction in total government expenditure from the previous year meant that the sector received much less in real terms than it did under the earlier administrations (for the current period, steel development was allocated NG 523 million) (Legum 1984, B532).

Whatever immediate effects the new regime's measures had on the overall economy, especially on industries and which was then thought to be salutary, was short-lived (See Table 9.3).

SOME OF THE WORKERS RETRENCHED BY THE STATE GOVERNMENT AGENCIES BETEWEEN 1 JANUARY AND 30 SEPTEMBER 1984

Table 9.3

State/Government Agency	Number of Workers Sacked
Anambra State	4,177
Bauchi State	4,133
National Assembly	2,100
Kwara State	7,000
Federal Ministry of Finance	369
Niger State	2,144
Ogun State	900
Nigeria External Telecommunications	184
Sokoto State	2,545
Benue State	6,850
Bedel State	21,000
Nigeria Airports Authority	238
Federal Ministry of Works	255
Federal Ministry of Agriculture	220
Ondo State	1,176
Oyo State	3,000
Federal Ministry of Communications	1,029

Source: Bade Oninode, The IMF World Bank and African Debt: The Economic Impact (London: Zed Books, Ltd. 1989), p. 230

This figures were hardly sustainable at the point of full introduction of the Structural Adjustment Programme (SAP) under the soon to be introduced General Babangida's regime. This is because what these figures reflect are less improved productive capacity and more of increased transactions in real estate property owned by the majority of the firms, like UAC, Liver Brothers, etc.

However, the various foreign exchange measures seems to have had some salutary effects, in that it helped to cushion Nigeria's debt crisis and slow the pace of economic desperation. At the beginning of 1984, the country's overseas debt included approximately $10 billion in medium and long-term loans held by the government and about $7 billion in overdue short-term credits (plus interest) for goods and services already supplied. Uninsured obligation to overseas export business constituted about $5 billion of the total foreign trade debt; the national governments (mainly OECD countries) of the creditor companies guaranteed the balance (Economist 3rd May, 1986, 6-7).

Inspite of the fact that the FMG did not secure additional facility from the IMF, it raised the country's debt-service ratio by some 14 per cent from about 30 per cent in 1984 to 44 percent in 1985 (Washington Post, 5th January, 1986). It also continued to make monthly payment of between $300-$400 billion on both the rescheduled bona-fide short-term obligations and its non-rescheduled medium and long-term debts to Western financial institutions (West Africa, 23rd April, 1984, 866). Indeed by the end of February 1985, the country's external liabilities had reduced to about $15.1 billion from $16.4 billion in December 1984, including its non-scheduled medium and long-term debt to Western Financial institutions. Significantly, foreign reserves stood at $1385 million in February 1985, compared with $1265 million the previous December and less than $1000 million at the time of the coup in December 1983 (West Africa, May 6th and 13th, 1985, 908, 958).

CONCLUSION

Inspite of its obvious, albeit authoritarian, best endeavours, the Buhari administration fell victim to its own machinations. It attempted to secure its power by constructing the apparatus of a police state. Its revitalization and expansion of the dreaded secret police, National Security Organization (NSO) was very telling.[2] The Organization became an instrument of terror, used to intimidate and scrutinize military officers as well as civilian opponents of the regime. The press was strictly and dreadfully regulated and many journalists were imprisoned. Strikes were banned, a wage freeze was imposed, while the trade union activities were suppressed. Unfortunately it seemed that the regime was blatantly partisan in the treatment of displaced politicians, with more leniency toward Northern politicians; a gesture which significance was not lost to Nigerians and regional politicians, especially since this was the first time a military government, and an otherwise non-partisan institution in the country's history (hitherto) showed such partisan inclination (Bevan, Collier and Gunning, 1999, 96).

These authoritarian measures intensified as the economic situation rapidly deteriorated. The prospect of the administration securing what appeared to be the IMF "life-line", foreign loans and investments were not only beginning to decline, but to completely dry up. These economic conditions which seemed desperately ripe to seek and receive international aid and loans but which futilely was not forthcoming created an atmosphere clearly seen as an opportunity for change in political direction (Yusufu, 1996, 90). According to Diamond, public disaffection and a deepening economic morass prompted elements within the military to oust Buhari and Idiagbon on August 27, 1985, (1988, 56-57). In the views of Olukoshi, the administration was doomed inspite of its nationalistic opposition to the IMF conditionalities. "The official nationalistic opposition to devaluation did not dovetail with the autonomous groundswell of domestic opposition to IMF policies, because of the alienation of groups such as workers, students, academics and professionals by the military regime, groups which, in turn, did not show any solidarity with the government" (1995, 144).

It may be argued that in its blinding patriotism, the administration became incurably naïve, as it substituted sound and responsive economic policy with patriotic sloganeering. The economic situation on the ground did not improve so as to give hope to the citizenry. At the height of what effectively became economic stagnation, foreign exchange rationing because the order of the day, even as plants were operating at below 30 and 40 per cent capacity (New Nigeria, 2nd March, 1985, 4) This exacerbated widespread hoarding of "essential commodities", including drugs and other medical supplies, culminating in price inflation. As industries closed or operated below capacity, unemployment became the order of the day.

Furthermore, the bureaucratic strictures attendant on the Import License regime did not only scare away foreign investment because of frustrating and obstructive processes, it made functioning for domestic business almost impossible, in addition to creating the most corrupt and debilitating atmosphere to operate any business. The end for the Buhari administration came suddenly and swiftly on August 27, 1985.

ENDNOTES

1. Apart from the fact that the Decree was retroactive to October 1, 1979 (perhaps to snag the politicians of the second republic who were notorious for the corruption and mismanagement), its indiscriminate application lacked common jurisprudentially sense. It also affected the most innocuous of transactional activities. For example, the Decree makes it an offense punishable by five years imprisonment and a fine in the same amount of foreign exchange involved for any person to make payment outside official means or place any sum to the credit of an individual outside Nigeria (either for subscription, educational purposes or otherwise). Indeed, many state gover ments cancelled scholarship awards to their students studying abroad and requested that come back home. It was also the case that apart from restrictions basic travel allowance, which was restricted to $130 per traveller per year, there were also restrictions on medical care abroad. Only medical services positively verified as unavailable in Nigeria by competent authorities qualified for foreign exchange allocation for overseas travel.

2. Interview in Lagos with the Deputy Director of NSO on July 23, 1999 revealed That immediately following the Buhari coup, the Organization's security vote did not only increase, but that they received expanded responsilities, which included round-the-clock monitoring of influential "trouble makers". It is his opinion that the Organization's indiscriminate and government-sanctioned harassment seriously affected foreign investment, as the perception was that Nigeria had become police state and unhealthy for investment.

CHAPTER TEN

MARKET AND ECONOMIC DEVELOPMENT 1985 – 1993 (GENERAL IBRAHIM BADAMOSI BABANGIDA)

INTRODUCTION

The Buhari administration was overthrown in a bloodless coup on July 27, 1985 in what had been speculated as internal hierarchical squabble amongst the initial military leadership that sacked the civilian government of President Shehu Shagari. General Ibrahim Babangida was the number three, hierarchically speaking, as the Chief of Army Staff in the Buhari administration he subsequently overthrew. Understandably therefore, his administration did not only lack the moral authority to stage a coup in the tradition of predecessor coups, by accusing the previous regime of corruption or mismanagement, without implicating its own members. Besides, it also lacked the credibility of "new" and "reformist" regime. To justify its emergence therefore, the regime cloaked itself in the benevolent dictatorship of participatory military administration of the 1966-1976 stripe.

The circumstances of General Babangida's ascension to the military leadership, following the coup he mid-wived seemed to foretell both the styles of his government and the undiscernibility of his overall management ambience. Indeed, there seemed from the outset something very personalizing about the process that was devoid of military collegiate leadership of Generals Gowon and Obasanjo hue. His policy thrusts were as inspiringly hopeful as they were disastrously manipulative and misapplied. He set in place the Political Transition Programme (PTP) and the Economic Transition Programme (ETP), the former not effectively taken off until 1989, while the later took off in 1986. It is noteworthy that his government lasted for over 8 years and he implemented the most elaborate and far-reaching economic, social and political policy initiatives the country had seen in more than 36 years. That he was the first military head of state in the history of the country to designate himself President portended a telling curiosity of his person, personality and style of leadership.

His first attempt at legitimacy was the inauguration of the national debate, as to whether the country should or should not accept the IMF conditionalities as a precondition for economic relief and assistance. It is important to reiterate here that the Buhari administration had out-rightly rejected the proposal as critics associated the IMF with everything that was wrong and debilitating with developing world's economies and market development, including the citizens' well being.

However, the need to reach some accommodation with the IMF in the face of worsening economic situation in the country became more urgent, especially with world market oil price falling to as low as US $10 per barrel. It is believed that reaching accommodation with IMF with a view to rescheduling the nation's debts and renewing external flows, persuaded the Babangida administration to initiate negotiations with the Fund. Even then, the new administration was constrained by widespread public antipathy for accepting IMF conditionalities (Essien, 1990, 78).

MARKET/ECONOMIC POLICY INITIATIVES

There appears to be too many features in the administration's thrusts very early in the processes that were sufficiently indicative of what turned out to be the many twists and turns of the Babangida years. It has been suggested that from the beginning, the administration manifested its inclination towards the IMF by the appointment of a former employee of the IMF, Dr. Kalu Idika Kalu, as the Finance Minister. It subsequently stacked the newly established "Committee on IMF Conditionalities and Loans" with appointees who favoured accepting the money (National Concord, September 20 and 21, 1985, 6 and 1 respectively).

The orchestrated attempt at national debate to reach agreement on a deal with IMF was a grave manipulative disaster. While the debate was going on however, the government began discreet discussions/consultations with the World Bank on an adjustment package for the country (Olukoshi, 1995, 145). It is also interesting that the FMG waited for several weeks, amidst strong and persistent rumours, to announce whether or not it had accepted or rejected the recommendations of the committee on the IMF conditionalities. Apparently, the regime sought to avoid responsibility for an agreement it was eargerly disposed to making, while clearly seeing it as desirable. In the face of strong national opposition, the regime lost the public campaign, after nearly three months of orchestrated public debate. The regime also decided to declare a 15-month national economic emergency to begin from October 1, 1985. This involved wage and salary cuts between 2 and 20 per cent for public and private sector employees. Among other things, this policy move promptly invited Labour Union condemnation as being both arbitrary and unilateral, and for subjecting already hard-pressed workers to further hardship.

Having finally lost what was the final outcome of an earlier conceived two-process exercise at legitimacy, rejection in an unusual (for a military government) public dialogue, the administration moved on to its primary agenda. Apparently the rejection was a collective willingness and readiness by Nigerians to make sacrifices for the sake of national economic recovery, as long as the recovery package was designed by Nigerians and implemented at their own pace. The FMG seemingly obliged. It evolved the

Structural Adjustment Programme (SAP), which it justified as an attempt to correct "the almost total dominance of national life by three foreign based elements that were proving to be counter-productive at one and the same time," namely:

> (a) an excessive dependence on imports, particularly consumer goods including food;
> (b) almost total neglect of domestic production in all the five sectors of the economy, namely agriculture, industry, construction, commerce and transportation; and
> (c) almost total dependence on earnings from oil exports alone for boosting government revenues as well as for accumulating foreign exchange reserves (Yusufu, 1996, 93).

As would become dubiously recurrent and rather typical of the regime, the government also invited the World Bank to draw up an adjustment programme that was subsequently submitted for IMF approval. This way the regime attempted to satisfy domestic public opinion whilst simultaneously sending signals to international financiers that it was ready to do business with them. It is believed that the IMF offered some loan as part of this programme, but was declined by the FMG, understandably, to maintain a consistent, even if misleading, front (Callaghy, 1990, 307; Bevan, Collier, and Collier, 1999, 97).

The FMG through its 1986 budget lay the basis for the introduction of an IMF/World Bank-sanctioned adjustment programme dubbed Structural Adjustment Programme (SAP), which it claimed was home-grown. Babangida had this to say in his January 1986 budget speech to the nation:

> "...in my silver jubilee address to you on 1st October 1985, I declared a state of national economic emergency for a period of 15 months. This action was dictated by the serious economic problems facing us--huge foreign and domestic debts, a rapidly declining per capita income, a high rate of unemployment, severe shortages of raw materials and spare parts for our industries, and a high rate of inflation. We Nigerians all agreed the solution to these serious social and economic problems must be found through our own efforts at own pace and our volition, consistent with our own voluntary national interest. We are determined more than ever before to harness our own home-grown efforts to solve our problems and set a new path for the future (Babangida: 1986).

The programme (SAP) was designed to rapidly and effectively transform the national economy over a period of 15 months and to end by June 1986. Part of the rationalization, according to the Ministry, "the present government reckoned that the IMF loan facility, apart from being so patently insulting to the nation, would only have promoted further wishful planning based on oil revenue that never met expectations in the end...so the government formulated and imposed on itself the 'package of economic reforms, chiefly to lessen dependence on oil revenues and imports and at the same time satisfy domestic demand by raising production substantially in domestic agriculture and industry', which constitute the two main ways in which, under SAP, it has been trying to bring about sustained economic growth as the only lasting solution to the ever rising cost of living" (Federal Ministry of Information, 1989, 10-11).

The key elements in the programme were the floating of the exchange rate, trade liberalization, and fiscal and monetary stringency. Upon floating, the exchange rate initially fell from NG1.27 per dollar to NG 4.60. According to some estimates, the devaluation changed relative prices rather than the price level, since the post devaluation inflation rate was one of the lowest in Nigeria's history (Bevan, Collier, and Gunning, 1999, 98).

It also reduced the petroleum subsidy by 80 per cent and committed the government to the privatization and commercialization of public enterprises. For example, the Nigerian National Supply Company (NNSC), which the Buhari regime had refused to abolish, was disbanded and a package of incentives for exporters was announced. Non-statutory transfers to all economic and quasi-economic parastatals were reduced by 50 per cent (1995, 146). The Import Licensing system was terminated, domestic foreign exchange (domiciliary) accounts were legalized. To deal with the highly contentious and politically delicate issue of the appropriate exchange rate of the Naira, the government in September 1986 introduced a two-tier exchange system.

The first-tier foreign exchange market was used to temporarily handle debt servicing and official subscriptions/transfers to international organizations at the prevailing nominal exchange rate of the Naira to the Dollar. All other transactions were to be handled through the second-tier Foreign Exchange Market (SFEM), where the Naira was allowed to appreciate or depreciate on the basis of bids submitted by the banks for the foreign exchange supplied to the market by the Central Bank of Nigeria (CBN). It was hoped that through the gradual convergence of the administratively-determined first-tier exchange rate and market-based second-tier rate, the Naira would be realistically devalued. When the government abolished the first-tier market in January 1988, it gave as its reasons, the attainment of convergence. From that period, all official and private transactions were carried out on the Foreign Exchange Market (FEM). From an initial exchange rate of NG1.27 per dollar at inception of SFEM in 1986, the exchange rate of the naira to the dollar is NG 114.50 to $1; an effective devaluation of over 100 per cent (The Guardian, June 30, 2001).

If anything the reform programme yielded rapid progress with creditors, even as it more rapidly had the most deleterious effect on virtually all sectors of the national economy. Consensus was reached with the IMF in September 1986, upon which a standby agreement was put in place the following January. This consensus facilitated rescheduling accords with the Paris and London Clubs, including commitments for modest infusions of new money from the United States, Japan and the World Bank. Since April 1986, Nigeria has taken steps to restructure its debt. For commercial banks, (multilateral), a total of $4.7 billion was restructured in April 1986 and November 1987. In March 1989 $6.0 billion was restructured. A total of $13.3 billion in debt to official creditors was restructured between October 1986 and March 1989 (World Bank, 1990).

Overall, the regime adhered to ambivalent economic policy orthodoxy throughout the later years of 1980s. The exchange rate increasingly reflected uncertain market values, despite regular Central Bank intervention in the currency auction. Interest rates fluctuated widely, as inflation rose, especially following Circular No 21 issued by the Central Bank on July 31, 1987 abolishing all forms of controls on interest rates. The Bank also raised its minimum discount rate from 11 per cent to 15 percent. Indeed, interest rates shot up to about 18 per cent in the second half of 1987 and hovered around 20 per cent for much of 1988. Fiscal cutbacks and deficit reductions were seriously pursued; even then a “reflectionary” budget was outlined in 1988 and compensatory measures were implemented in 1989, following public protests, of the hardships occasioned by these policies, including the spirited protests of the Manufacturing Association of Nigeria (MAN) and other business groups. Rising expenditures yielded an unprecedented budget deficit in 1990. The trade regime, which was dramatically liberalized still imposed bans on a variety of items, including textiles, malted barley maize, wheat, rice and hops. Exports of raw cocoa were also prohibited in an effort to promote domestic processing. Subsidies for petroleum products and fertilizer were further reduced but not eliminated.

It has been suggested that perhaps the most significant reform which the FMG introduced as part of its effort to sustain reform was the institutional restructure of two critical components of viable sustainability: the Central Bank and the Civil Service (Olukoshi, 1995, 155-156). In 1989, the Central Bank was removed from the jurisdiction and the supervision of the Ministry of Finance and placed in the office of the President. The Governor of the Bank now reported directly to the President rather than to the Minister of Finance (West Africa, May 17, 1989). This accountability change was followed by an internal restructure and the creation of the position of four new deputy governors assisting the Governor in matters of administration and research, domestic banking, external transactions, foreign exchange operations and currency operations. Ostensibly, these reforms were intended to strengthen the operational capacity and autonomy of the Bank. It is doubtful whether they significantly affected the government's overall management and implementation of SAP. If anything, the CBN restructure which placed the apex bank under the thumb of the military president enabled and facilitated the mismanagement and corruption of the control system since the Presidency dealt directly with the Bank, without unduly attracting public scrutiny. Reports suggest a pathetic abuse of the process both under Generals Babangida and Abacha [1] (George Uriesi, 2000).

The civil service reform was another area the FMG sought to restructure, with a view to more effectively implement the SAP. Beginning with the establishment of a high-level study team in 1987, the reform of the civil service was completed in 1989. The exercise was also aimed at promoting accountability, professionalism and operations efficiency, as well as reduce bureaucratic red tape. Following the reform, Ministers as opposed to Permanent Secretaries, became the Chief Executive and Chief Accounting Officers for their respective ministries. Permanent secretaries were re-designated director-generals. This reform also culminated in the upgrading of the Budget Office into full ministerial department headed by a cabinet minister. As with the CBN reform, it is debatable whether these changes, which in the main seemed cosmetic, in any way positively impacted the underlying problems of the civil service and their operations.[2]

These structural changes, significant and more economically impacting than was originally represented provoked protests from interest groups. Indeed, the general situation was so exacerbating and intolerable that the former military head of State, General Olusegun Obasanjo in December 1987 admonished the FMG to evolve a less monstrous relief programme, calling for "adjustment with a human face" (The Guardian, December, 1987). For example, import-substituting manufacturing firms, many of whom could not survive trade liberalization at any exchange rate because they were operating at low or zero value added at world prices, responding by retrenching workers. Another group, the North had little to gain from the devaluation, since the remaining tradable crops were grown elsewhere, and the fact that it had lost power with the Babangida coup, with inherent capacity to influence policies. As for the civil service, it suffered relatively little, even though those in the public corporations were threatened by privatization. However, the private employees experienced massive layoffs. The Marketing Boards were also abolished, costing employees their jobs. According to some opinions, the changes of mid-1986 were by far the most substantial and abrupt shift in Nigeria's economic policy since 1950 (Yusufu, 1996; Bevan, Collier, and Gunning, 1999, 98).

In order to deal with the myriads of contending issues stemming from its policies, the regime adopted a combination of strategies, including selective accommodation of the opposition demands, repression and co-optation of opponents and the erection of its own clientele network. At the level of accommodation, the government effected a slow down in the implementation of its policies and even diluted their content, in order to contain the opposition. Apart from its deflationary budget of 1988, it introduced the mass transit, and the Directorate of Employment activities, like the Open Apprenticeship Schemes. Other concessions made by the government included the creation of the soft-loan, non-profit making Peoples' Bank, essentially targeting the urban poor, the administrative pegging of interest rates, the unfreezing of wages and the lifting of the ban on recruitment into the civil service, the introduction of a new minimum wage and a lost of others. In addition, it resorted to the creation of its own clientelist networks. Contract content of public expenditure became a key component of the government clientelist network while the leaders of trade unions, professional associations, student's organizations and influential academics were targeted for co-optation. This tactic was supplemented with the arrest and detention of some of the most vociferous critics of FMG policies (Olukoshi, 1995, 154-154).

The regime's predisposition at extra-budgetary spending as a mean of sustaining its support base was also evident following the coup attempt in April 1990. The administration felt it necessary to garner support from the military. It embarked on a large spending programme for the rehabilitation of the police and military barracks, including special grants for the welfare of officers. It also increased spending on new weapons, as well as on national security including the extremely controversial National Guard. Indeed by February 1992, $50 million was allocated by the regime to purchase 3,000 Peugeots for the private use of officer ranks of captains and majors in the Nigerian Army, even as officers of the Navy and Air force were similarly compensated.

OTHER POLICY INITIATIVES

According to Olu Falae, one time secretary to the FMG under General Babangida, the guiding philosophy of SAP, which was an extension of the policy thrust of the 1986 federal budget, was economic reconstruction, social justice and self-reliance (1992, 222). The broad objectives was active fiscal balance and balance of payment viability by altering and restructuring production and consumption patterns of the economy; eliminating price distortions; reducing heavy dependence on crude oil exports and consumer goods imports; enhancing the non-export base and achieving sustainable growth. Other aims of the policy were to rationalize the role of the public sector and to accelerate the growth potential of the private sector (Central Bank of Nigeria Briefs, Series No 92/03, July 1992, 3).

Although by July 1987, the first tier and second tier foreign exchange markets have been merged in order to reinforce the market determinations of the exchange rate, the unified foreign exchange market placed a lot of demand pressures on available foreign exchange and thus led to a rapid depreciation in the value of the naira relative to other international currencies. The search for relief led to two other determinate policy initiatives. In 1989, *bureaux de changes* were licensed to allow and facilitate easy access to small users of foreign exchange market (Central Bank of Nigeria Briefs, Series No. 92/08, July 1992, 4). Also on March 2, 1992, there was a complete deregulation of the foreign exchange market, purportedly to bridge the gap between the official market exchange rate and the paralleled market. It was believed that this initiative would curtail the activities of currency speculators and hoarders who were accused of creating instability in the foreign exchange market. At the time of this decision, the official market exchange rate was adjusted upward to $1 = NG 18 from NG10.55 (See Table 10.1)

EXCHANGE RATE OF THE NAIRA VIS-À-VIS THE INTERNATIONAL CURRENCIES: OCTOBER 28, 1993

Table 10.1

CURRENCY MARKET	CENTRAL BANK RATE	BUREAU DE CHANGE	PARALLEL
DOLLAR	21,99	42,50	42,50
POUNDS	35,58	64,00	64,00
DEUTCH MARK	13,12	26,70	27,50

Source: The News Magazine, November 15, 1993, p. 30

The figures represent a naira devaluation of over 400 per cent against the dollar and the British pounds sterling (using the 1980 exchange rates of 54 kobo to $1 and about NG2 to 1 pound sterling, as the index). As would be expected, this dramatic devaluation had serious implications for investment and industrial production in the country.

The other, perhaps as critical, policy element of SAP was the privatization and commercialization of state enterprises. The process commenced in 1988 with the setting up of the Technical Committee on Privatization and Commercialization (TCPC), through Decree No. 25 of 1988.[3] The committee was empowered to handle state divestment processes by issue and sale of shares in public enterprises. To effect this exercise, the various state enterprises were classified into four. First are those in which state equity interests are to be fully privatized (these include hotelling and agro-allied industries) --- Durbar Hotels, Nigeria Hotels Limited, Nigeria Dairies Company, Nigerian Food Company Limited,, Nigerian Grains Company Limited. Second, were those in which state equity interest are to be partially privatized --- oil companies, steel rolling mills, air and sea travels, fertilizer companies and banks. Third, were those to be partially commercialized --- Nigerian Railways Corporation, National Elective Power Authority, the River Basin Development Authority and Federal Radio and Television Stations. Fourth were those to be fully commercialized --- Nigerian National Petroleum Corporation (NNPC), Nigerian Telecommunications Limited (NITEL) Nigerian Coal Corporation, Nigerian Ports Authority and African Re-insurance Corporation.

The TCPC had offered for sale share equities in about 55 enterprises in which the government had interest by 1992. The proceeds from this divestment process was estimated at NG 3.3 billion by the end of 1992 (CBN, Annual Reports and Statements of Accounts, December 1992, 70). The commercialization exercise was still in progress as the TCPC was reported to have prepared reform packages for about 30 out of the 34 state enterprises affected by the exercise (CBN, December, 1992, 70).

The regime introduced other policy measures whose specific purpose was to deregulate the economy, stimulate investment and promote external trade. These entailed the deregulation of interest rates introduced in 1987; again to be reintroduced in 1991. The maximum lending rate was fixed at 21 per cent while a minimum of 13.5 per cent was stipulated for savings deposits rates (CBN Briefs, Monetary Policy in Nigeria, Series No. 92/03, July 1992, 3). However, by 1992, the attempt at realistic competitive interest rate regime seemed a futile exercise, at which point there was a reversal to the regime of interest rate deregulation.

The regime also reduced the number of prohibited import items from 74 to 16. In addition, private individuals and exporters were encouraged to repatriate their foreign exchange earnings by guaranteeing them unrestricted access to it through the operation of the domiciliary accounts. Furthermore, the administration abolished marketing boards in mid-1986, thereby encouraging private sector participation in the export trade of agricultural produce and opening up the possibilities of higher returns for farmers on the sale of agricultural produce. It also established Export Processing Zones (EPZ) as part of government's efforts at boosting non-oil export production.

Government's introduction of an industrial policy in 1989 sought to invalidate the Indigenisation Decree of 1972; especially by allowing foreign participation in all areas of the economy, including those previously reserved exclusively for Nigerians under the original decree. It also established the Industrial Development Coordinating Committee (IDCC) to facilitate the approval process for the establishment of industries in the country. The government also effected a reduction in the corporation tax structure from 45 per cent to 40 per cent.

EVALUATING SRUCTURAL ADJUSTMENT PROGRAMME (SAP)

SAP was not only the administration's brainchild, notwithstanding its obvious origins, it also became the compost of its economic and social policy formulation and implementation flagship. By 1993, Nigerians had endured approximately eight years of SAP programme, even though it was designed to have lasted for less than two years.

The question that remains doubtfully unanswered, at officially, is whether SAP lasted this long because it was successful at helping restructure the economy or that it was such uncertain and indeterminate phenomenon that it took so long to ascertain where indeed it was headed. Apparently, SAP's positive or negative impact on the overall economy, and indeed societal well-being, is of debatable validity or relevance since the argument in and of itself answers little, if anything. [4] However, some have argued that SAP was an unqualified disaster, that it created more economic hardship and uncertainties than it created relief (Yusufu, 1996, 108-109; Anunobi, 1992, 251).

GROSS DOMESTIC PRODUCT (GDP) BY SECTORS, 1981-1985 (AT 1984 CONSTANT FACTOR COST) (N MILLION)

Table 10.2

S/N	Sector	1981	1982	1983	1984	1985	Amount (Nm)	%	Average %
1	Agriculture livestock, forestry, Fishing	24460.7	25082.3	25009.2	23799.5	27794.5	3333.6	13.6	3.4
2	Minning and Quarrying	10749.0	9634.4	9147.1	10155.2	10743.2	(-5.8)	0.5)	(-0.1)
3	Manufacturing	6964.2	7806.7	5549.4	4926.2	5903.5	(-1060.7)	(-15.2)	(-3.8)
4	Utilities (Electricity and Water)	478.6	475.0	555.6	514.7	472.8	(-5.8)	(-1.2)	(1.5)
5	Building and Construction	3325.0	2652.0	2338.0	1609.0	1313.0	(-2112.0)	(-6.1)	(-3.3)
6	Transportation and Communication	3929.0	3027.4	2411.6	2896.8	3405.7	(-523.3)	(-13.3)	(0.6)
7	Wholesale and Retail trade (distribution)	9155.9	9551.9	9318.3	8596.6	8936.6	(-219.3)	2.4)	0.25
8	Products and Government Services	4790.0	4744.3	4949.5	4605.6	4837.5	47.5	1.0	(-0.8)
9	Finance and Insurance	2403.7	3037.2	2996.0	2389.8	2324.2	(-79.5)	(-3.3)	3.8
10	Real Estate and Business Services	200.8	200.3	220.6	214.0	231.2	30.4	15.1	(-7.4)
11	Hotels and Restaurants	736.3	695.5	584.5	492.4	454.4	(-281.9)	(-29.7)	1.1
12	Housing (Dwellings)	1813.3	1832.0	1854.0	1874.0	1894.0	81.0	4.5	(-6.4)
13	Community Social and Personal Services	812.7	820.0	769.4	635.2	605.9	(-206.8)	(-25.4)	(-6.4)
14	GDP at Factor Cost	65605.7	6542.0	61444.0	63006.2	689116.1	3310.4	5.0	1.25
15	Growth Rate (index)	100	99.7	93.7	96.0	105.0	-	5.0	1.25

Source: Compiled from F.O.S., National Accounts of Nigeria, 1981-1991, Table 4

It has been suggested that the dismal performance of the economy during the fourth plan period, 1981-85 was the immediate reason for introducing SAP. The gross domestic product (GDP) statistics suggests some incremental improvement in the growth of the economy, following SAP. To determine the levels of performance of the GDP by sectors between the period 1981-1985 and the period since SAP, from 1986-1993, Tables 10.2 and 10.3 indicate that, the GDP grew by 1.25 per cent per annum on the average during 1981-85, as against 3.7 per cent for the SAP period.

Moreover, while all the economic sectors (except Agriculture, Real Estate, Government Services, and Housing) recorded significant drops in growth rate from 1981 – 85, all the sectors recorded positive growth rates per annum during SAP from 1986 – 19993. In the few sectors where both periods recorded positive growth rates, those of the SAP era were apparently more impressive. Agriculture had an average yearly growth of 3.4 per cent in 1981-85 as against 3.5 per cent during the SAP. Government services grew by a mere 0.25 per cent per annum during 1981-85 compared with 14.5 per cent over the SAP period. The growth in the Housing Sector was 1.1 per cent per annum in the earlier period as against 3.2 per cent under SAP

GROSS DOMESTIC PRODUCT (GDP) BY SECTORS, 1986-1993 (AT 1984 CONSTANT FACTOR COST) (N MILLION)

Table 10.3

/N	Sector	1986	1987	1988	1989	1990	1991	1992	1993	Increase/Decrease (-) 1986-1993		
										Amount (NM)	%	Avg % p.a.
1	Agriculture livestock, forestry, Fishing	30356.5	29388.9	32273.2	33845.5	35277.2	366277.2	366277.2	37780.0	7424.3	24.5	3.5
2	Minning and Quarrying	10029.2	9087.5	9828.4	11288.8	11911.1	12992.5	13343.6	13017.3	2988.11	29.8	4.2
3	Manufacturing	5673.9	6729.5	6840.2	7361.4	7904.0	7657.2	7657.2	7341.0	1667.1	29.4	4.2
4	Utilities (Electricity and Water)	367.3	389.1	415.3	450.5	500.6	524.6	555.9	580.3	213.0	58.0	8.3
5	Building and Construction	3009.4	3010.9	3041.4	3048.9	2989.5	3088.51	3352.4	3495.2	485.8	16.1	2.3
6	Transportation and Communication	1311.0	1433.0	1579.0	1644.7	1726.9	1796.0	1866.0	1959.3	648.3	49.5	7.1
7	Wholesale and Retail trade (distribution)	9251.0	9381.1	10725.0	11154.0	11488.6	11856.3	12223.8	12590.5	3339.5	36.1	5.2
8	Products and Government Services	5020.1	5314.5	6125.9	6673.8	7596.3	7912.5	8900.1	10120.9	5100.8	101.6	14.5
9	Finance and Insurance	2806.4	3035.1	3719.7	5185.9	7884.6	8200.0	8524.0	8845.4	6039.0	215.2	30.7
0	Real Estate and Business Services	245.2	248.1	250.6	254.3	259.0	269.4	271.0	281.5	36.3	14.8	2.1
1	Hotels and Restaurants	461.0	467.7	468.5	473.2	477.9	482.7	492.3	499.7	38.7	8.4	1.2
2	Housing (Dwellings)	1913.6	1933.8	1952.2	1981.4	2080.5	21263.7	2247.9	2342.1	428.5	22.4	3.2
3	Community Social and Personal Services	631.4	637.7	644.0	667.6	678.1	723.3	723.3	795.2	163.2	25.9	3.7

14	GDP at Factor Cost	71076.0	70740.6	77752.3	83495.0	90342.0	94663.2	97431.4	99649.2	28573.2	40.2	5.7
15	Growth Rate (index)	100	99.5	109.4	117.5	127.1	13.2	137.1	140.2	-----	40.2	5.7

Source: (a) F.O.S., National Accounts of Nigeria, 1981-1991, Table 4 (in respect of 1986-1991)
(b) F.O.S. Annual Abstract of Statistics, 1994 Edition, Table234 (in respect of 1992,1993).

As noted earlier, since SAP was fundamentally a process at restructuring the economy in order to increase the relevance of the perceived real sectors, particularly agriculture and industry (manufacturing etc), as against the dominance of the mineral (including oil) sector, the relative contributions of the different sectors to the GDP may be evaluated to determine levels of structural changes. Tables 10.4 and 10.5, which respectively represent pre-SAP period of 1981-1985 and SAP era, are quite revealing.

Percentage Distribution of Gross Domestic Product (GDP) by Sectors (1984 Constant Prices) 1981 – 1985

Table 10.4

S/N	Sector	1981	1982	1983	1984	1985	Yearly Average (%)
1.	Agriculture, Livestock, Forestry, Fishing	34.7	35.8	37.7	37.8	40.3	37.3
2.	Mining and Quarrying	15.3	13.7	13.8	16.1	15.6	14.9
3.	Manufacturing and Crafts	9.9	11.2	8.4	7.8	8.5	9.2
4.	Utilities (Electricity, Water)	0.7	0.7	0.8	0.8	0.7	0.7
5.	Building and Construction	4.7	3.8	3.5	3.0	1.9	3.4
6.	Transport and Communications	6.4	5.1	4.7	5.6	5.0	5.4
7.	Wholesale and Retail Trade Distribution)	13.0	13.6	14.0	13.6	13.0	13.4
8.	Hotel and Restaurants	1.1	1.0	0.9	0.8	0.7	0.9
9.	Finance and Insurance	3.4	4.3	4.5	3.4	3.4	3.8
10	Real Estate and Business Services	0.3	0.3	0.3	0.3	0.3	0.3
11.	Housing (Dwelling)	2.6	2.6	2.8	3.0	2.8	2.8
12.	Community, Social and Personal Services	1.2	1.2	1.2	1.0	0.9	1.1
13.	Producers of Government Services	6.8	6.8	7.5	7.5	7.0	7.1
14.	TOTAL GDP	100.0	100.0	100.0	100.0	100.0	100.0

Source: F.O.S. National Accounts of Nigeria, 1981-1991, Table 7.
NB: Some of the numbers have rounded to 100

PERCENTAGE DISTRIBUTION OF GROSS DOMESTIC PRODUCT (GDP) BY SECTORS

(AT 1984 CONSTANT PRIICES), 1986-93

Table 10.5

S/N	SECTOR	1986	1987	1988	1989	1990	1991	1992	1993	YEARLY AVERAGE (%)
1	Agriculture, livestock, forestry: fishing	42.7	41.5	41.5	40.6	39.1	38.8	38.3	37.9	40.0
2	Minning and Quarrying	14.1	12.8	12.7	13.5	13.2	13.7	13.7	13.1	8.2
3	Manufacturing and Crafts	8.0	8.4	8.7	8.2	8.2	7.9	7.9	7.9	8.2
4	Utilities (Electricity, Water	0.5	0.6	05	0.6	0.6	0.6	0.6	0.5	0.5
5	Building and Construction	1.8	2.0	20.0	1.9	1.9	1.9	2.0	1.9	1.9
6	Transport and Communition	4.3	4.3	3.9	3.7	3.4	3.4	2.2	2.2	3.2
7	Wholesale and Retail Trade (Distribution)	13.0	13.9	13.8	13.4	12.7	12.7	12.5	12.6	13.1
8	Producers of Government Services	7.1	7.5	7.9	8.0	8.4	8.4	10.4	10.2	8.5
9	Finance and Insurance	4.0	4.3	4.8	6.2	8.7	8.7	8.7	8.9	6.8
10	Real Estate and Business services	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
11	Hotel and Restaurant	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.6
12	Housing (Dwelling)	2.7	2.7	2.5	2.4	2.3	2.3	2.3	2.4	2.5
13	Community, Special and Personal Serviced	0.9	0.9	0.8	0.7	0.7	0.7	0.7	0.8	0.8
14	Total GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: F.O.S. National Accounts of Nigeria, 1981-1991, Table 7.

The average yearly contribution of the Agriculture sector to the GDP over the earlier period was 37.3 per cent, whilst during the SAP period it had increased to 40 per cent. The mining and Quarrying sector (with crude oil pre-dominating) accounted on the average for 14.9 per cent of the GDP during 1981-85. This dropped to 13.3 per cent under SAP. Regarding these two sectors, therefore, it could be concluded that, at least to some extent, the objective of SAP have been realized.

The other important sectors of the economy show a much more ambiguous outcome. Manufacturing fell from an average of 9.2 per cent in the period 1981-1985 to 8.2 per cent under SAP between 1986 and 1993. The building and construction sector's average contribution to GDP fell significantly from 3.4 per cent to 1.9 per cent; utilities from an average of 0.7 per cent to 0.5 per cent. From the foregoing, it can be concluded that in terms of sectarian and overall GDP growth rates, the SAP period has apparently performed better than the pre-SAP period 1981-1985.

It would appear that SAP felt short, or at best recorded ambiguous results, in other critical areas. One of the main objectives of SAP was to achieve fiscal and monetary balance at both Federal and State levels by restraining expenditure and avoiding deficit financing. Looking at the Table 10.6 and 10.7, it appears balance was far from being realized. Table 10.6 shows that the Federal government deficit rose by more than 3,200 per cent at current prices, between 1985 and 1993. Since the real value of the Naira would have depreciated considerably over the period, this level of deficit is significant and gravely impacting. The deficit arose from 31.5 per cent in 1985 to 103.6 per cent. It declined to 36.5 per cent in 1987, only to climb to nearly 138 per cent in 1993.

Summary of Federal Government Finances, 1985-1993

Table 10.6

Year	Revenue Retained		Expenditure		Surplus/Deficit ()		
	Amount (Nm)	Index	Amount (Nm)	Index	Amount (Nm)	Index	% of Revenue
1985	9640.3	100	12680.0	100	(3039.7)	100	31.53
1986	7969.4	82.67	16233.7	127.95	(8254.3)	271.55	103.57
1987	16129.0	167.31	22018.7	173.65	(5889.1)	193.74	36.51
1988	15588.6	161.7	27749.5	218.84	(12160.9)	400.07	78.01
1989	25762.2	267.23	41028.3	323.57	(15266.1)	502.22	59.66
1990	39033.0	404.89	61149.1	482.25	(22116.1)	727.58	56.66
1991	31774.5	329.60	67529.7	532.56	(35755.2)	1176.27	112.53
1992	51742.2	536.73	107723.3	849.55	(55981.1)	1841.66	108.19
1993	73397.9	761.37	174524.4	1376.33	(101126.5)	3326.86	137.78

Sourcs: (a) F.O.S. Digest of Statistics, December 1987, Table 10.1.
(b) F.O.S. Annual Abstract of Statistics, 1994 Edition, Table 252.

The level of deficit spending on the part of the states was no less significant, even if at a comparatively lower level. Over 75 per cent of the states showed a level of dependence on loans and other special grants that was economically unviable (CBN, Annual Report and Statement of Accounts, December 1992). The viability of projects on which such huge deficits were incurred calls also into question issues of public accountability. As far as the Babangida administration was concerned, the annual budgets might as well not have existed; as spontaneous donations to all manner of causes and institutions became recurring features of the administration's *modus operandi* (Yusufu, 1996, 104-105).

Summary of State Government Finances, 1985-1993

Table 10.7

Year	Revenue Retained Amount (Nm)	Revenue Retained Index	Expenditure Amount (Nm)	Expenditure Index	Surplus/Deficit ( ) Amount (Nm)	Surplus/Deficit ( ) Index	% of Revenue
1985	4844.9	100	5057.1	100.0	(1012.2)	100	20.9
1986	4661.8	96.2	5588.6	110.5	(926.8)	91.6	19.9
1987	8151.6	168.3	8263.5	163.4	(111.9)	11.1	1.4
1988	10360.1	213.8	10778.5	213.1	(418.7)	41.4	4.0
1989	11502.1	237.4	12974.7	256.6	(1472.6)	145.5	12.8
1990	16516.5	340.9	17743.2	350.9	(1226.7)	121.2	7.4
1991	24114.3	497.7	25215.6	298.6	(1101.3)	108.8	4.6
1992	31870.5	657.8	35586.0	703.7.	(3715.5)	367.1	11.7
1993	35532.2	733.4	39546.6	782.0	(4014.4)	396.6	11.3

Sourcs: F.O.S. Digest of Statistics, December, 1989, Table 10. 5.
C.B.N. Annual Report and Statement of Account for the Year ended December 1992, Table 4. 5
F.O.S. Annual Abstract Statistics, 1994 Edition, Table 256

The World Bank 1991 Report on Nigeria noted "a breakdown in fiscal and monetary discipline in 1990...not only characterized by additional spending and monetary expansion, but also by a major surge in expenditures bypassing budgetary mechanisms for expenditure authorization and control...significant domestic currency spending appears to have occurred without any apparent budgetary authorizations" (Quoted in Holman, 1992, 14). Perhaps no where was this level of arbitrariness more reckless than in the following areas: massive increase in spending and in the purchase of new military equipment (estimated at between $250-$500 million) to sustain intervention in Liberia; increased spending on Ajaokuta steel plant (initial price $1.4 billion final price $4 billion); continuing commitment to a dubious $2.4 billion aluminum smelter; and the ill-conceived sponsoring of the 1990 Organization of African Unity (OAU) summit, at a cost of $150 million (Keeling, 1991, 4). Earlier, a Project Review Committee appointed by the Buhari administration to evaluate government's on-going projects to determine their economic viability and sustainability, headed by Gamaliel Onosode (which included the permanent secretaries of Finance and National Planning and the Governor of the

Central Bank) had recommended that "all possible spending should be stopped" on such major projects as Iwopin Pulp and Paper, Savannah Sugar, Ajaokuta Steel, the Metallurgical Research and Training Institute in Jos and Onitsha, Itakpe Iron Ore Mining, and Petrochemical Phase 11. They also recommended future studies regarding the economic viability and desirability of these or new projects (World Bank Report No. 13053-UNI, May 13, 1994). By 1992, all the projects blacklisted by the Onosede Commission were still receiving funding from the administration.

Indeed the administration was notorious for its unbridled recklessness in deficit spending, and mismanagement. Table 10.8 shows a graphic detail.

GOVERNMENT DEFICIT FINANCING AS PROPORTION OF GDP, 1986 – 1993

TABLE 10.8

		Government Deficit (N million)			Total Government Deficit as Proportion of GDP	
Year	Total GDP (N million)	Federal	State	Total	Per Cent (%)	Index
1986	71,076	8,254	927	9,181	12.9	100.0
1987	70,741	5,889	112	6,001	8.5	65.4
1988	77,752	12,616	419	12,480	16.0	135.9
1989	83,495	15,266	1,473	16,739	20.0	182.3
1990	90,342	22,116	1,227	23,343	25.8	254.3
1991	94,603	24,755	1,001	36,756	38.8	100.3
1992	88,530	55,981	3,712	59,693	67.4	1,145.2

Source: Complied from Tables 10.3, 10.6 and 10.7 Supra

The index of total government deficit spending rose from 100 in 1986 to 1,145.2, within a space of seven years (that is, between 1986 and 1993). As a proportion of the nation's GDP, total government deficit spending rose from 12.9 per cent in 1986 to 67.4 per cent in 1992. During the next year, it shot up to a dizzying 117.4 per cent. It is almost inscrutable that the Federal and State government's deficit expenditure alone exceeded the entire GDP by over 17 per cent.

One of SAP's most significant and enduring effects may have been on the civil society. All indicators, both at the micro-and macro levels, seem to indicate a deepening of the social crisis in several important respects. For instance, per capita income in Nigeria was put at $778 in 1985 (before the introduction of SAP). It plummeted to $175 in 1988 and further down to $108 in 1989. Even then, the continuing depreciation in the value of the Naira meant that the average GDP per capita in terms of the dollar fell continuously from $1,583 in 1981 to a mere $38 in 1993 (Yusufu, 1996, 106-107).

According to some opinions, perhaps the greatest tragedy for the common or average citizen under the SAP lay in the inflationary cost of living and the concurrent precipitate fall in real incomes (Yusufu, 1996, 106; Bevan, Collier and Gunning, 1999; Central Bank Report, 1994). Table 10.9 indicates a correlation between population growth and its impact on the consistently depreciating value of the naira on per capital GDP.

GROSS DOMESTIC PRODUCT (GDP) OF NIGERIA (AT 1984 CONSTANT FACTOR COST) MEASURED IN NAIRA AND UNITED STATES DOLLARS, PER CAPITA

Table 10.9

ear	Rate of Exchange (N:$)	Total Population ('000)	Gross Domestic Product (GDP)				Gross Domestic Product (GDP) Per Capita			
			N Million		US$ Million		Naira (N)		US Dollars ($)	
			Amount	Index	Amount	Index	Amount	Index	Amount	Index
981	0.6052	68,477	65,605.7	95.2	108,403.3	140.0	958.0	105.5	1,583.0	155.5
982	0.6731	70,257	65,412.7	94.9	97,181.3	125.8	931.0	102.5	1,303.0	135.9
983	0.7506	72,084	61,440.0	89.2	81,854.5	106.0	852.0	93.8	1,136.0	111.6
984	0.7672	73.958	63,006.2	91.4	82,124.9	106.3	852.0	93.8	1,110.0	109.0
985	0.8924	75,881	68,916.1	100.4	77,225.6	100.0	908.0	100.0	1,018.0	100.0
986	1,7323	77,854	71,075.9	103.1	41,029.8	53.1	913.0	100.6	527.0	51.8
987	3,9691	79,878	70,740.6	102.6	17,822.8	23.1	886.0	97.6	223.0	21.9
988	4,5367	81,955	77,752.3	112.8	17,138.5	22.2	949.0	104.5	209.0	20.5
989	7,3651	84,086	84,495.0	12.6	11,472.3	14.9	1,005.0	110.7	136.0	12.8
990	8,0378	86,272	90,342.0	131.1	11,239.6	14.5	1,047.0	115.3	130.0	12.8
991	9,9132	88,515	94,663.2	137.4	9,549.2	12.4	1,069.0	117.7	108.0	10.6
992	19,7592	90,816	88,530.5	128.5	4,480.5	5.8	975.0	107.4	49.0	4.8
993	25.0 (b)	93,177	89,528.3	129.9	3,581.1	4.6	961.0	105.8	38.0	3.7

Source:
(1) C.B.N.: Statistical Bulletin, Vol. 1 Nos. 1&2, December 1990, Table D.3.1 and D. 4.2
(2) C.B.N: Statistical Report and Statement of Accounts, 1992.
(3) C.B.N.: Statistical Bulletin, Vol. 2 No.2, December 1991, Table D.4.2.
(4) Federal Republic of Nigeria: 1991 Populationn Census (Provional Results)
(5) F.O.S. National Accounts of Nigeria, 1981-1991
(6) F.O.S. Annual Abstract of Statistics, 1994 Edition

NB: These amounts have be approximated to the nearest whole numbers

The total population of the country grew by 36.1 per cent from 68,477,00 in 1981 to 93, 177,000 in 1993. In the same period the GDP increased by 36.5 per cent from approximately NG 65.6 billion to just a little over NG 89.5 billion. It would appear that per capita GDP was about constant for the period 1981-93. Consistent with Table 9.9, per capital GDP grew over a period of 12 years by only 10.5 per cent from NG 958 in 1981 to NG 961 in 1993.

Also as Table 10.9 indicates, the per capita GDP rose by a mere 5.8 per cent between 1985 and 1993, obviously a level of poor performance. Again using 1985 as a base, it would appear that the index of annual consumer prices in the urban areas was 830.15, and in rural areas 736.7 in 1993. A composite index for both urban and rural areas over the same period was 751.89. It follows that while the GDP per capita rose by less than 6 per cent, the cost of living in urban centers rose by as much as 730 per cent, whilst those of the rural areas by 651.9 per cent. According to some opinions, although these data would suggest some growth rates, the real effect on market and economic development, and particularly on the personal welfare of the average citizen has been incomprehensibly devastating (Adejumobi, 1995; Yusufu, 1995; Bevan, Collier and Gunning, 1999).

The particular effects of SAP (on the civil society can also be glimpsed from the 1991 World Bank which ranked Nigeria as the 13th poorest nation in the World. Also the United Nations Development Programme (UNDP) in its human deprivation index for 1990 concluded that Nigeria is the worst human deprived nation, from a list of eleven Third World countries for which the survey was conducted (Adejumobi, 1995, 180).

Furthermore, the other significant components of economic development like education and health were seriously affected by SAP. The educational sector witnessed both a crisis of management and funding. Books were hardly available, even as physical infrastructure of schools deteriorated. Today, almost everything --- textbooks, laboratory equipment, classrooms, and internet-based facilities --- is in short supply (Barbara

Giudice, 1999, A 51-A52). Even more undermining to economic and market development was the inability to recruit and retain qualified teachers, especially at the primary school levels. Apart from being the first victims of public mismanagement, on account of failure to receive their salaries for months on end, teachers were also castigated for falling standards. Indeed between 1986 and 1993, the educational system and structure in Nigeria came to a virtual standstill as it witnessed several industrial disputes and crisis in forms of strikes and school closings.

It is perhaps ironic that education would suffer such huge disruptions inspite of apparent increases in educational spending. What seems obvious is perhaps the fact that apart from the corruption and mismanagement in disbursement process, these increases did not take into account the rapidly depreciating value of the Naira. Table 10.9B clearly shows a growth of 193.2 per cent of total educational expenditure between 1985 and 1992.

FEDERAL GOVERNMENT EXPENDITURE ON EDUCATION IN NAIRA AND

U.S. DOLLARS – 1982 – 1993

Table 10.9B

	Recurrent		Capital		Total (Naira)		Total (Dollars)	
Year	Amount	Index	Amount	Index (Nm)	Amount	Index (Nm)	Amount	Index (Nm)
1982	511.8	73.4	412.4	326.8	924.2	112.2	1373.1	148.8
1983	588.8	84.5	367.2	291.0	956.2	116.1	1273.9	138.1
1984	657.9	94.4	87.6	69.4	745.5	90.5	971.7	105.3
1985	697.2	100.0	126.2	823.4	100.0	100.0	922.6	100.0
1986	483.8	69.4	391.4	310.1	875.2	106.3	505.2	54.8
1987	354.1	50.8	94.6	75.0	448.7	4.51	113.0	12.2
1988	1458.8	209.2	327.9	259.8	1786.7	217.0	393.8	42.7
1989	3011.8	432.2	387.2	306.8	3399.0	412.8	461.5	50.0
1990	2401.8	344.6	416.3	329.0	2819.1	324.4	350.7	38.0
1991	1256.3	180.2	297.0	235.3	1553.3	188.6	156.7	17.0
1992	1907.0	273.5	507.2	306.8	3414.2	293.2	122.2	13.2
1993	6034.6	865.5	995.1	788.5	7029.7	853.7	281.2	30.5

Sources: (a) F.O.S. Annual Abstract of Statistics, 1987 and 1994 Editions
(b) C.B.N. Statistical Bulletin, Vol,. 2, No.2, December 1991.
Note: Naira: Dollar Exchange rate based on Table 10.9

However, expressed in dollars, it merely translates into a drastic decline of as much as 86.8 per cent over the same period. The index of total expenditure in dollars fell continuously from a high of 148.8 in 1982 to 100 in 1985, then to 12.2 in 1987. Rising to 50 per cent in 1989, it fell again rather drastically to a low level of 13.2 in 1992. There seems to be a notable rise to 30.5 per cent in 1993.

Although the fall in real terms of government expenditure on education pre dated SAP, they seem to have been exacerbated under it. Rather ironically, the case of education is one of superficial growth with negative development (Yusufu, 1996; Bevan, Collier and Gunning, 1999; Giudice, 1999).

The health sector did not fair any better. Although in the announcement heralding the 1984 military intervention, General Abacha, among other things, lamented the state of health care delivery system as "our hospitals have become consulting clinics…" (Daily Times, January 2, 1984). This situation was exacerbated under SAP. There was absolutely no improvement in the situation. If anything, it went from bad to worse. Not only were there inadequate personnel, essential medication and supplies were absolutely non-existent. Where and when available, pharmaceutical products were acutely adulterated.

In this environment of poor health management system, it is understandable that the structure lacked adequate database, especially as citizens found it worthless and futile reporting critical health-related problems to a helpless, and useless (for their purpose) health organization. However, looking at Table 10.9C the very few reported cases tell a grim story with respect to cholera, diarrhea, typhoid and pneumonia.

REPORTED CASES OF SELECED DISEASES 1987 AND 1991

Table 10.9C

Disease	**Cases Reported**		**Cases of Death**		**No. of Deaths as % of Total Reported**	
	1987	1991	1987	1991	1987	1991
1. Cholera	2,798	61,256	114	7,711	4.1	12.6
2. Diarrhoea	10,123	451,422	165	1,613	1.6	0.4
3. Typhoid	2,179	8,101	34	259	1.6	3.4
4. Pneumonia	89,228	135,480	534	855	0.6	0.6

Source: F.O.S. Annual Abstract of Statistics, 1994, Table 54-54

The Table shows that reported cases of cholera rose by 1,892.3 per cent from 2,798 in 1987 to 61,256 in 1991; diarrhea by 3,459.4 per cent from 10,123 to 451, 424; typhoid by 271.8 per cent from 2,179 to 8,101; and pneumonia by 51.8 per cent from 89,228 t 135,480 over the same period, while infant mortality increased from a ratio of 110 per 1000 in 1986 to 124 per 1000 in 1988 (African Guardian, 1988, 11). The lack of adequate health-care delivery system is compounded by the rapid spread of the AIDS virus. While below the levels of East and Southern African States AIDS, it is believed to be running at 10 per cent in the country (Peter Foster, 2000). Malnutrition is rampant. Life expectancy is 50; and the health care is increasingly becoming a luxury of the rich.

Although the 3rd and 4th National Development Plans both critically noted rising youth unemployment (3rd NDP, 1975 – 80, chapter 19; 4th NDP, 1981-85, chapter 22), SAP exacerbated the youth unemployment situation. By 1986, at the introduction SAP, the rank of unemployment had swelled. It was not only the primary school leavers who were without employment, secondary schools, as well as university graduates were now part of the statistics.

SAP called for economic rationalization, which essentially dictated mass retrenchment, wage freezes (stagnation), depreciation in real wages and the virtual elimination of the middle class. For example, the total registration of unemployed professionals, the bulk of the middle class, was estimated at 16,293 in 1988. By 1992, the figure was 32, 665, representing as it were, over 100 per cent increase in the number of unemployed professionals and executives during the period (Assisi Asobie, 1993, 184-185). It has been suggested that SAP as a policy was formulated with concealed violence against the working class and that even the paltry concessions obtained from the state after so many protests, representations and terminations were a little too small, a little too late to make any difference (Steve Amale, 1991, 123-136; Lasisi Osunde, 1992, 18)

SAP was a programme conceived in part to alleviate the living and economic conditions of the rural dwellers and the peasantry by empowering and enabling them. One of the primary motives, it could be concluded was economic, namely to stimulate agricultural production and other non-oil products (especially exports). The attainment of this goal, the government rationalized, would entail the substantial improvement in the socio-economic environment of rural dwellers. Hence government embarked on a huge ambitious rural development projects. The fact that these projects were embarked upon at a critical economic rationalization period necessarily dictated economic justification for such huge outlay *vis-à-vis* its short and long term realizable social and economic benefits. Needless to say, government committed tremendous, and some have contended, unrealizable and economically non-justifiable resources through the establishment and lavish funding of sundry pet projects (Abdul Rauf Mustrpha, 1993; Newswatch, 1992). They included the Directorate for Foods, Roads, and Rural Infrastructure (DFRRI); The Better Life for Rural Women Programme (BLP); Oil Mineral Producing Areas Development Corporation (OMPADEC); People's Bank and Community Banks.

Perhaps the BLP programme has larger ramifications both for the underlying impetus for its initiation and the monumental failure of the outcome. The main focus of the progamme was on women. Based on the report of the UN Food and Agricultural Organization (FOA) on Nigeria in 1975, which indicated, "The rural women perform all the work in food processing, 60 per cent in marketing, 50 per cent livestock and animal production and more than 70 per cent in food farming" the CBN rationalized a programme whose primary focus would be women. It was intended to do the following:

- encourage and stimulate the rural women in particular and the rural populace in general towards improving their standard of living and their environment;
- inculcate the spirit of self-development in the rural women through the promotion of rural education, business and recreation; and
- creating greater awareness among the populace about the plight of women (CBN, Economic and Financial Review, Vol.28, No. 3, September, 1990)

Table 10.9D shows a graphic performance evaluation in relation to its target objectives. Obviously, it performed no better than the various other government programmes, in their corruption mismanagement, and inefficient supervision.

Table10.9 D

**Evaluation of the Performance of the Better Life Programme
As At July 1990**

S/N	Type of Activity	Target	Achievement No./ Quantify	Achievement % of Target
		1,278.1	183.03	14.3
1.	**A. EXTENSION SERVICES**	492.3	188.54	38.3
2.	Seed Distribution (tonnes)	45.0	-	-
3.	Seedlings (million)	36.0	5.0	13.9
4.	Palm Produce (hectares)	700.0	2.0	0.3
5.	Rice Miling (million kg)	104,310.0	9,974.23	9.6
6.	Fish Pond			
	Fertilizers			
1.	**B. LIVESTOCK**	29.0	10.0	34.5
2.	Goat	842.0	1.0	0.1
3.	Piggy	600.0	1.0	0.2
4.	Small Farming	700.0	1.0	0.1
	Periwink Farming			
	C. DEVELOPMENT SUPPORT SERVICES	42.0	2.0	4.8
1.	Model Farms/Village etc.	6.0	710.0	11,833.3
2	Land Clearing	394.700.0	2,154,392.0	11,833.3
3.	Irrigation	8,809.0	28.0	0.5
4.	Waiting Station	10,000.0	44.0	0.4
5.	Solar Energy	1.0	1.0	100.0
6.	Water Transportation	400.0	200.0	50.0
7.	General	14.0	1.0	7.1
8.	Others			
	D.MARKET SUPPORT SERVICES			
1.	Trade by barber	500.0	2.0	0.4
2.	Storage	3,363.0	1,791.0	53.3
3.	Credit Granted	-	233.0	-

Source: C.B.N. Economic and Financial Review, Vol. 28, No.3, September 1990 Table1, p.53

The overwhelming conclusion is that these projects were a monumental failure, in that they did not only fail to improve the life of the peasantry and rural dwellers, they constantly led to over budgetary expenses; not to mention widespread allegations of corruption, embezzlements and fraud (Mustapha, 1993). In the words of Uriesi (2000),

" the money disbursed to DFFRI and OMPADEC alone, if utilized would have transformed Nigeria from third world to first world status". Perhaps an exaggerated assumption, but the point on resource outlay is noted. Available statistics [5] suggests that there has been a steady decline in the real income of the rural household while their expenditure on food, transportation, health care and other social services have been on the increase. The obvious indication is a fall in the welfare and standard of living of the rural dwellers as Table 10.E suggests.

TREND IN REAL RURAL HOUSEHOLD INCOME

TABLE 10.9 E

Year	Nominal Income	Rural Income Price Index	Real Income (N)
1984	7609,96	455,4	1691,05
1985	7772,72	482,3	1611,59
1986	9767,83	504,9	1934,61
1987	10034,01	558,8	1795,63
1988	12532,96	771,6	1626,87
1989	14861,21	1061,7	1400,68

Source: CBN/NISER National Study

Another area seriously affected is manufacturing. The effects on the sector may further demonstrate the impact of SAP. As Table 10.9F indicates, employment in that sector stood at 357,164 in 1982. In 1992, ten years later, the employment level had dwindled to a mere 20,153, a decline of approximately 94.4 per cent.

PERSONS EMPLOYED IN MANUFACTURING INDUSTRY:

SELECTED YEARS, 1980 – 91

TABLE 10.9 F

Year	No. Employed	Index
1980	453,632	100
1982	357,164	78.7
1984	344,609	76.0
1988	26,601	5.9
1991	27,130	6.0

Source: (a) F.O.S. Annual Abstract of Statistics, 1987, Table 75, p. 101
(b) F.O.S. Annual Abstract of Statistics, 1994, Table 117, p. 171
(c) F.O.S. Digest of Statistics, 1989, Table 3.1. p. 23

The Table indicates that the employment level in 1991 was barely 6 per cent of the 1980 level of 453,632. It is particularly interesting to note the decline in the levels of employment recorded in Table 10.9G, affecting the major sectors of manufacturing industry.

Table 10.9G

PERSONS EMPLOYED IN SELECTED SECTORS, MANUFACTURING INDUSTRY, 1980- 91

		1980		1982		1984		1988		19991		
S/N	Item	Number	Index	Number	Index	Number	Index	Number	Index	Number	Index	Increase (Decrease) % 1980-91
	Food	57,872	100	52,296	90.4	35,042	65.7	2,999	5.2	2,960	5.1	(94.9)
	Beverage and	32,169	100	16,682	51.9	23,254	72.3	6,575	19.4	6,575	20.4	(79.6)
	Tobacco	88,757	100	61,583	69.4	57,360	64.6	2,437	2.7	2,478	2.8	(97.2)
	Textiles	53,966	100	24,490	45.4	14,575	27.0	1,322	2.4	1,409	2.6	(97.4)
	Wood and Wood Products	7,157	100	14,108	197.1	7,837	109.5	850	11.9	641	9.0	(91.0)
	Leather and Leather Products	44,896	100	14,659	32.7	16,000	35.6	2,867	6.4	3,057	6.8	(93.2)
	Rubber and Plastics Products	9,752	100	10,773	110.5	6,685	68.6	169	1.7	227	2.3	(97.7)
	Electrical Products											

Sources: (a) **F.O.S. Annual Abstract of Statistics, 1987, Table 75, p. 101**
(b) **F.O.S. Annual Abstract of Statistics, 1994, Table 117, p. 174**

Curiously enough, of all the major sectors (seven) depicted in the Table, all but one, that is, the Beverage and Tobacco sector, recorded employment declines of over 90 per cent. It is particularly significant that these declines relate to sectors, which with the exception of the electrical products sector derive most of their raw material from within the country. It would appear therefore that the SAP programme rather than solve some of the problems of unemployment, actually aggravated it. It is in the light of the above that one may agree with the reasoned conclusions of Ben Nwabueze:

> "On the whole, the record (of military rule) is one of failure; it has failed to integrate the country into one; to improve the quality of life of the people and to modernize the society, to curb and eradicate corruption...if any thing, the military government, has compounded the country's problems...now, what little quality is left in our lives is being sapped by the Structural Adjustment Programme (SAP) (1989, 19-20).

POLITICAL (POLICY) INITIATIVES

To protect itself politically, the Babangida administration on assumption of office set up the Political Transition Programme (PTP), just as it was setting up the Economic Transition Programme (ETP). It announced a timetable for the return to civilian rule, and with it the promulgation of the transition to civil rule (Political Programme) Decree No. 19 which gave a comprehensive agenda for return of power to civilians on October 1, 1990.[6] Though the timetable was never adhered to, the process proper did not even commence until May 3, 1989, when the government lifted the ban on partisan politics and subsequently announced the promulgation of the 1989 Constitution.

The 1989 constitution was the culmination of a process that commenced on January 13, 1986, when the Babangida administration announced the setting up of a 17-man (indeed handpicked associates) Political Bureau to organize a nation-wide debate, the objective of which was "...a collective search for a new political order...a call for a country-wide debate in order to illuminate our path towards the search. It is neither a call for political party formation, nor the assertion of claims and pleas for leadership on behalf of the operations both of which have failed us as a nation. The call is to all Nigerians to search, identify and select options that can lead this country to better heights" (Babangida, 1986)..

Although the Bureau was a deliberative body "whose primary objective is to bequeath to posterity a new political order that can endure stresses as well as stand competitive demands in our national life...ensure that Nigerians collectively secure for themselves a more meaningful political future through open and free debate..." with apparently no holds bare on significant issues of state, the government still occasionally intervened to pre-empt the process of political debate. It thus very early in the process manifested its determination to intervene and interfere with the process to impose or protect its own vested interests. The administration did not only reject a substantial part of the Constituent Assembly's recommendations (a body set up under Decree No. 24 of 1988 and purportedly free to deliberate on any matter whatsoever), it also declared some "no-go areas", as when Sharia became a hotly deliberated issue during the sitting.

This level of interference and constantly shifting dates for return to civilian rule became the administration's hallmark in the process implementation. At the end of a mercilessly convoluted process, which inexcusably banned and unbanned "old breed" politicians, created unrealistically, and some would add, unrealizable registration requirements, including the first NG 50,000 non-refundable registration requirement for political parties. There was also the particularly arbitrary non-refundable NG500, 000 for presidential aspirants for the Social Democratic Party (SDP) candidates and NG400, 000 for National Republican Convention (NRC) party candidates. Besides, the government by *fiat,* imposed two political parties, with unequal participation requirements (as in the imposition of registration fee requirements for the two parties). These parties were the SDP and the NRC, which were to be funded exclusively by the government. (Abubakar Momoh, 1995, 16-56; Anthony A. Akinola, 1990; Oyeleye Oyediran and Adigun Agbaje, 1991; Nuhu Yaqub, 1992).

Even then, for a process that was supposed to engender an enduring democratic system "...committed to an order that will check the excesses of government and the abuse of power by the political leadership" (Babangida, 1986), the government's execution of the transition was a model exercise in executive lawlessness. For instance, the administration promulgated Decree 48 of 1991, which gave National Electoral Commission (NEC) powers to conduct elections irrespective of court orders to the contrary; and to disqualify candidates without disclosing to them the reasons for doing so. Nothing comes close to such breach of fundamental tenets of administrative law. Even when elections have been conducted, Decree 52 of 1992, Section 16 categorically prohibited any "court proceedings with respect to matters done or purported to be done by any agent of the Federal Government (including NEC) in the process of realizing the objectives of the transition programme".

The so-called Option A_4, a procedure disingenuously contrived by NEC, in view of the antecedents of its origin, was ostensibly meant to secure a presidential primary selection process at the grassroots level; that is, the wards and local governments, state and national conventions (Chima Ubani and Emma O'Mano Edigbeji, 1993; Momoh, 1995, 31). This contrived process produced two unlikely and yet obviously preferred presidential "government" candidates in the persons of Moshood Abiola (SDP) and Bashir Tofa (NRC), in circumstances so riddled with irregularities and corruption that at their respective conventions, and subsequent election exercises, it was alleged that over NG2.1 billion was spent by the presidential candidates; notwithstanding that the official cost of the election was underwritten by the FMG (Babangida, 1993; Momoh, 1995, 34).

The election was scheduled and held on June 12, 1993 and was observed by both local and international monitoring groups who described the entire exercise as "free and fair election". Indeed NEC had proceeded to declare election results in 12 states and the British Broadcasting Corporation (BBC) in 27 states, before they were ordered to stop. In circumstances replete with the arbitrary lawlessness of the regime, General Babangida made a nation-wide broadcast on June 26, 1993, in which he cancelled the June 12, election, and purported to set a new date for new presidential elections in July 1993, with a completely new and fresh guidelines (Babangida, 1993, 18).

In all of these, Babangida purports to display a level of consultative process by which inputs from significant vested interests, including the military, are taking into consideration. In reality, it seems that General Babangida, from the outset, displayed all the lawlessness of a military dictatorship in the way and manner he dissolved, reconstituted, empanelled, disempanelled, the Armed Forces Ruling Council (AFRC), Tribunals and Commissions, including the appointment and dismissal of cabinet Ministers. "IBB, for instance, had the highest turnover of ministers, he had 44 ministers, and 18 secretaries as constituted under the auspices of the Transitional Council. He dissolved the Armed Forces Ruling Council (AFRC) twice and reconstituted it. He created all sorts of panels, tribunals and boards and reconstituted them at will…"(Momoh, 1995, 19).

Following the national sense of unease and imminent crisis engendered by the unsigned press release of June 23, 1993 annulling the election, General Babangida met three times with the two political parties between June 26 and July 12, in which he gave them the options of fresh elections or the constitution of Interim National Government (ING). Indeed it was not much of a choice because the parties were also warned that failure to accept new elections stated for August 14, 1993 would lead to a dissolution of the parties, including their elected officials. The two parties objected, and having been rejected by both his military constituency, and a stupendously bribed, but unconverted, Houses of the National Assembly, amidst demonstrations and palpable civil disorder, Babangida decided to foist his hand picked puppet Ernest Shonekan as the Chief of State and head of the ING. General Ibrahim Babangida offered to "step aside" [7] on August 26, 1993. However, contrary to the agreement that civilians from the two political parties will predominate in the ING, the Shonekan Government had no more than four members from the two political parties, out of a 32-man team. The rest were either handpicked or holdover technocrats or Babangida loyalists, who included General Sani Abacha, Defense Secretary; Joshua Dogonyaro, Chief of Army Staff; Uche Chukwumerije, Secretary for Information; and Clement Akpangbo, Attorney-General and Secretary of Justice. It is instructive that the contraption called the ING was itself terminated after three months, November 17, 1993, by no other than the Defense Secretary himself (General Sani Abacha).

EVALUATING THE ECONOMIC COST OF THE POLITICAL TRANSITITON PROGRAMME (PTP)

The cost of the PTP has been variously put at between NG30 and NG 35 billion (Newswatch, December 15, 1993; African Concord, October 19,1993; The Nigerian Economist, December 22, 1993; Nigerian Tribune, June 14,1993). Looking at the transactional elaborateness of the processes of this political transition programme, these figures seem extremely conservative. The reality is much more staggering, as the following glossary would indicate.

The initial 13 political associations that were disbanded were said to have spent about NG 6 billion since they were required to have offices and followership in no less than two-thirds of all the states of the Federation, as well as registered members with their identifiable passport photographs. The Constituent Assembly and the Constitution Review Committee spent NG 320 million. Political party offices, in what was then 21 states, cost the FMG NG 210 million, while state governments spent NG 600 million in building party offices in what was then 400 local government areas. And about NG 110 million was used to establish the National Electoral Commission Secretarial in each of the nine newly created states.

According to Alhaji Aliyu Mohammed, [8] the Secretary to the FMG, over NG 100 million was spent on logistics and administrative take-off of both political parties, which cost did not include the building of secretariats for the parties at all levels. That cost was put at over NG 2 billion. The FMG's other expenses on the party processes were equally extravagant, albeit less than NG 26 billion the political parties requested for their national conventions. The parties were given NG 17.7 million for these exercises. And by September 1990, they had received NG 559 million as take-off grants. Also by May 7, 1992, the FMG gave both parties NG 100 million to organize national assembly and presidential primaries, even though the parties had requested NG 620 million.

Following the cancellation of the August 1992 presidential primaries and the dissolution of their elected executives, Caretaker Committees were appointed for the two political parties. The Committees were given another NG 363.8 million. To be able to organize and execute the June 12 presidential elections, staff salary and other over-head, the NEC received NG 2 billion. While furnishing their offices in 1991 cost NG 147 million, NEC expended another NG 4 million in purchasing vehicles in the same year. General Babangida alleged that the two presidential candidates themselves spent over NG 2.1 billion of their personal money for the campaigns, and election (Babangida, 1993).

Furthermore, on inauguration of the National Assembly in December 1992, the Assembly's first order of business was the passing of a resolution that paid each member NG 5,000 daily to cover feeding and accommodation. Translation: it cost the country about NG 5 million daily for the up-keep of 684 National Legislatures, who were to all intents and purposes, inactive; or more appropriately jobless, in view of the stalled transition process. For the period July to December 1992, the National Legislator did not sit. Even them, the Senators received NG 20,000 each, while members of the House of Representatives received NG 16,000 each. By August 1993 it was estimated that the National Assembly had gulped NG 3.4 billion. Indeed between December 1992 and August 1993, the hotel bills, alone, of the National Legislators was a whopping NG 900 million, while allowances for the same period amounted to over NG 40 million.

Although the FMG would admit that between January and June 1993, the height of the fateful transition programme, Nigeria had a budget deficit of over NG 46 billion, it is still to be accounted for. Although official estimates dubiously put the figure at NG10 billion, how much of that was spent on purported transition-related programmes like MAMSER, National Census, etc. is not known. However, Figure 10.I shows a select survey [9] of government's extra budgetary spending in 1992 alone. It is believed that these sums were expended on winning popular support for a political transition process that General Babangida intently undermined every step of the way. For a process (SAP), which was intended to judiciously apply dwindling public resources, so that the market and purely prudent economicimperatives determine economic and political options, the aborted PTP of the Babangida administration was a monumental waste of scarce national resources. In the light of the above, it is difficult not to conclude that the preoccupation of the FMG during this period in regard to resource allocation was with the political process that it completely ignored the economic and market development of the country in critical areas: employment, education and health.

FIGURE 10.I

SOME EXTRA – BUDGETARY SPENDINGS IN 1992 TITLE	N (MILLIONS)
1. Federal Universities	575,00
2. Eumerical Cathedral Abuja	50,00
3. Awolowo Foundation	35,00
4. Zik hall Zungeru	40,00
5. Arewa House	35,00
6. Zik's Wife Book Launch	15,00
7. Yakubu Gowon Centre	30,00
8. Nigeria Medical Association	20,00
9. Performing Musicians Association of Nigeria	15,00
10. African Bar Association	10,00
11. Nigerian Bar Association	5,00
12. Abuja Central Mosque	50,00
13 Nigerian Union of Teachers Secretariat Building Fund	30,00
14. Nigeria Union of Journalist Abuja Council National Secretariat	10,00
15. Nigerian Labour Congress Secretariat Building Fund	30,00
16. Organization of African Trade Union and Unity (OATU)	5,00
17. Book Launch on IBB	0,10
18. Major General Bajowa (rtd) Book Launch	50,00
19. Alhaji Isa Kaita Book Launch	2,00
20. 20 National Youth Service Corps Presidential Winner	0,50
21. University Lagos Endowment Fund	5,00
22. Obafemi awolowo University	30,00
23. Faculty of Journalism, University of Namibia	90,00
24. University of Nigeria, Nsukka	7,50
25. 1992 Olympic Medalists	5,00
26. Federation of Chess Club Secretariat Building Fund	3.00
TOTAL	**N1198.10**

Source: Committee for Defense on Human Rights (CDHR) 1992

THE BABANGIDA LEGACY

General Ibrahim Babangida regime was not only the longest serving peace time[10] military government in Nigeria, his was the only one to attempt the articulation and implementation of one of the most ambitious, even if fundamentally flawed and contradictory, economic and political policy changes in the history of the country. "The changes of the mid-1986 were by far the most substantial and abrupt shift in Nigeria's economic policy since 1950" (Bevan, Collier and Gunning, 1999, 98). Unfortunately, the administration's attempt to address the varied and complex issues that lie at the heart of Nigeria's economic, political and social problems were undermined by a most incoherent and contradictory policy initiatives by the same administration that depended for its very existence and survival the clientelistic structure of the moribund and decadent political system in Nigeria. It is quite intriguing that the Babangida administration sought to deregulate and sanitize both the ETP and the PTP through the democratization process, yet its policies and programmes led increasingly to abuse and authoritarianism:

> "... Inaugurating the season of 'transition without change', Babangida represented three fundamental breaks with past military dictatorships in Nigeria. First, he undermined the collective collegiate leadership of the regime by the officer corp and instead instituted a personal style. Second, he 'legitimized' grand and widespread corruption at the same time as he was squeezing the salaried classes through the Structural Adjustment Programme. Corruption became an unstated, but all-embracing, foundation of state policy. Third Babangida resisted the transfer of power to an elected government by engaging the populace, particularly the politicians, in an 'endless' and meaningless transition process, which he himself constantly subverted. For seven years, Babangida involved the country in a 'political transition whose cost has been put at about NG 30 billion..." (Abdul Raufu Mustapha, 1999).

After eight years of all kinds of economic and political experimentation, "the government proved to have been far more richer in abusive rhetoric and unproductive propaganda, than in economic wisdom" (Yusufu, 1996, 109). Indeed the believe is that General Babangida and his cohorts used the resources and information at their disposal to manipulate the transition programme in such a way that a justification was always found for extension, thus the transition progrmme was shifted four times, from October 1990, to January 1992, to January 1993 and August 27, 1993. With the same level of unbridled authoritarianism and insensitivity, the administration bequeathed to the country the politicization of religion, when it unilaterally and without national consensus caused the admission of a hitherto secular Nigeria (with significant Christian population) into the Organization of Islamic Conference in 1986. This singular reckless political decision did not only provide a spring-broad for the intensification of religious bigotry, it created the impetus for the declaration of Sharia laws in some Northern states in the current Third Republic. The results therefrom have been enormous. According to Aaron T. Gana (1995, 100)"...no other regime in Nigeria's thirty-three years of political development has tinkered with the fragile compromise on the secular character of the Nigerian State as the Babangida administration did..." Religious disturbances and riots have become a recurring feature of the Nigerian landscape and have intensified since the inception of the civilian administration, thus making it difficult for the administration to attract much needed foreign investment.

The administration faired no better with its ETP. According to some opinions, SAP lacked the logic of a Plan and practical framework of realizable implementation during any plan period that the administration introduced what it called the Rolling Plans.[11] The underlying rationale was that any project not completed in the relevant period was to be "rolled over" to the next plan period (Yusufu, 1996, 108-110). As was evident there happened to be so many uncompleted economic projects under SAP, given the lack of coordination and profligacy of the administration.

Perhaps Babangida's most enduring bequest to Nigeria after eight years was a most pernicious and enduring legacy of institutional corruption and mismanagement, followed by reprehensible human rights abuses (Momoh, 1995, 312-343). According to General Buhari, "The regime that came to power in 1985 that ushered in the General Babangida destroyed all national institutions which in its own opinion, stood in its way. It tolerated, encouraged, entrenched and institutionalized corruption and glorified perpetrators ...at the end of 1993, the military government had established an image of corrupt, unreliable and unaccountable lords of the manor..."(Quoted in Mustapha, 1999, 277-291). The administration was contagiously *laizzes faire* with the perpetration and toleration of corruption that it essentially assumed its primary nature. It has been observed that during the Babangida regime, petroleum smuggling was largely the province of senior military officers and a few civilian associates, who arranged illegal lifting contracts for companies in which they had an interest, but more typically they simply chartered tankers and covertly filled them at terminals of the NNPC for shipment overseas (Peter Lewis, 1996, 90). Corruption in Nigeria is not about a few individuals who pilfer from the public purse, it is the system (The Economist, 1996, 48).

Babangida was particularly adept at co-optation, especially in the corruption of his most ardent and vociferous critics. In what General Obasanjo characterized as the "settlement syndrome" (Momoh, 1995, 46), he believed everybody had a price. It was also believed that Babangida had this "hidden agenda" in all policy decisions and implementation, such that the underlying premise was not always apparent on the face of it. For example, when he excised the CBN from the Ministry of Finance, ostensibly to make it autonomous and more efficient; the CBN promptly came under the direct supervision of the Presidency (his office), thus unquestioningly facilitating the kinds of improper financial and other alleged irregular foreign exchange transactions the CBN is accused of. [12]

According to some opinions, the administration's level of financial recklessness and unaccountability is only matched by its absolutely corrupt overall disposition. For example, between July 1990 and May 1991, of the over $5.2 billion accruing to Nigeria as a result of the Gulf war, more than $3 billion could not be accounted for by the CBN. William Keeling of the London-based Financial Times concluded that "there may be governments in the continent as corrupt as Nigeria's and there certainly are governments that are worse managed. But few, if any, compare with Nigeria in the scale of the problems that have to be confronted, the size of the export earnings open to misappropriation…" (1990, 7).

The administration's level of extra-budgetary spending, induced as it were, by absolute corruption, was very alarming. The administration did not keep any verifiable account [13] on the prosecution of the "peace keeping" exercise in Liberia under the auspices of ECOMOG. However, according to President Obasanjo, as at June 2000, Nigeria had spent over $8 billion its ECOMOG-related activities in the sub-region (The Guardian, September 28, 2000). These sums can only be appreciated in evaluation against the backdrop of the following statistics: country's external debt estimated at over $32 billion; a population of over 120million with over 60 per cent living on less than $2 a day; the population with access to safe water is 4.2 per cent and debt owed per capita is

$241; and spending on health care has slipped backward to about 70 cents (US) per capita. Education, the only honest way out of poverty, is a disaster: schools are without books, teachers unpaid and universities on strike (again)" (The Economist, 1996, 48; World Bank, 1990)

The consensus verdict on the Babangida's administration is that he did not only fail to engender the economic and political changes for the better that he claimed was reason for his take-over in a bloodless coup from a military leadership structure of which he was a critical component, he either by his acts of commission or omission bequeathed to the country the six-year political and economic disaster and terror that was General Abacha, following his cancellation of the June 12, 1993 election.

CONCLUSION

General Ibrahim Babangida was the sub-product of a primary one (the Buhari regime), whose professed pre-occupation was eradication of the extremely corrupt and inept political and economic institutions perpetrated by the civilian administration of President Shehu Shagari. The Buhari administration hardly had time to focus on the regime's concept of national development, which emphasized financial prudence in the management of the nation's scarce resources, paying down the national debt, reducing massive foreign exchange out-flows, rationalizing the civil service, including the elimination of ghost workers. But above all, eradicating indiscipline and absolute corruption within the larger society. The administration believed that a well structured and orderly society, in which resources are prudently managed and corruption completely eradicated, provides the foundation for the development potentials in critical areas like education, health and gainful employment (Buhari, 1985). Theirs was an aborted endeavour.

General Babangida came to power just about when petroleum prices were as low as $10 per barrel and the external creditors were insisting on IMF guarantees (David Ottaway, 1986). Past negotiations with IMF and reform attempts have failed for a number of reasons, primary among them being (1) the resistance and lack of cooperation by many Nigerians in top positions who for so many years and for so long have benefited personally from bad policies and mismanagement, and (2) the Babangida coup which promptly interrupted an apparently genuine reform process, barely 20 months in formulation and implementation.

General Babangida's adoption and implementation of the IMF-style and sponsored structural adjustment programme may have been informed by his peculiar conceptualization of what form national economic and market development and moving the country forward should take. And yet there appear precious little antecedents in his background policy-wise to ground or support such conceptualization. Understandably therefore, some of the economic measures he adopted seemed rather subjectively intended to achieve economic recovery and self-reliant development. The thrust appeared to be an attempt to liberalize his way out of economic mess by cutting the money supply, pushng up interest rates, slashing public spending (at least initially) cutting health, welfare and educational programmes. He also implemented a wage freeze, restricted both, domestic and foreign credits, dismantled price controls, removed subsidies on Petroleum and Fertilizer, in addition to setting foreign exchange rates free, through an effective, even if arbitrarily implemented, SFEM (Anunobi, 1992, 224).

The administration's structural adjustment programme did not only lack the institutional and technological capabilities that could transform the structure of a development-targeted economy, including production and trade, it also failed to attend other critical conditions affecting the balance of payments position:

> "on the export side, most African economies are still uncomfortably dependent on a very limited number of primary commodities---unprocessed agricultural and mineral products---vulnerable to the vicissitudes of externally determined prices and quantities demanded. On the import side, while their import capacity has dwindled, the dependence of African economies on imports remains high. First, agricultural production in Africa has not benefited from any major technological break-throughs (like the "green revolution"). With rapid population growth, dependence on food imports has increased, rising to one-third of domestic food production in recent decades. Secondly, largely as a result of the tied nature of foreign aid, the pattern of industrialization has created an industrial and manufacturing sector with high import dependence for both inputs and technology" (Howard Stein and Macnhiko Nissanke, 1999, 399-420).

The situation in Nigeria may well have reflected these general patterns. However, the availability of petroleum as a premium source of export earnings meant that the country was peculiarly and resourcefully placed. The SAP and PTP programmes under General Babangida failed for two primary reasons. For although his administration's objectives were ostensibly to achieve political stability, economic recovery and self-reliant market development, he seems to have failed to appreciate "the inherent ambiguities of the term development, in which the processes of development and its consequences, positive and negative, are confounded with the intent to bring about development, usually through the practice of state" when "an intention to develop becomes a doctrine of development...attached to the agency of state to become an expression of state policy". (Gavin Williams, 2000, 147). Unfortunately there seemed to be within the same administration these contending and mutually disruptive processes of creation and destruction. The administration effectively created state agencies and institutions seemingly for the primary purpose of undermining their effectiveness (Momoh, 1995, 16-56; Olukoshi, 1995, 138-162; Mustapha, 1999, 277-291; Robert Guest, 2000, 57-58). General Babangida was too preoccupied with inventing democratic options, even as he was too preoccupied constantly undermining the political process. He was ostensibly reforming the economy just as he was preoccupied institutionalizing corruption and mismanagement within an economic system that produced the harshest and most dehumanizing of human development regressions. The administration is yet to satisfactorily explain what happened to over $3 billion windfall when oil prices surged during the Gulf war (Chris McGreal, 1999, 16).

It would appear that General Babangida essentially conceptualized notions of "state craft" and "engineering a nation", without anchoring them in the relevant context of national economic development. Obviously his essence was "...to chart a new course for a nation towards a new environment consciously and carefully designed in anticipation of a future (perhaps consciously disregarding the national economic well-being of the present) that can be understood, mastered and managed. Engineering a nation is, in reality inventing the future...there exist a world of difference between engineering a nation and ruling it. I never wished to rule Nigeria and I never did. My goal was to engineer it..." (Moyibi Amoda, 2000). General Babangida's professed engineering of Nigeria would ultimate bequeath to it, not a stable democratic process; not a viable economic/market system in which human development in all of its critical ramifications (health, education, employment and general welfare) hold sway, but another military government of perhaps indescribable brutality, corruption and mismanagement.

ENDNOTES

1. Interview at Lagos with the Deputy Governor of Central Bank of Nigeria on July 11,1999. According to him it was a change that changed nothing especially in the operations of the Bank. For the military he contended that it was more an issue of direct access expediency than it had to do with structural reform. The bank was subjected to such unprecedented levels of official presidential imposition that there was a complete breakdown of procedures during the early and later years of Babangida's tenure. Whereas for General Abacha, it was a pattern that evolved from his very early days, until his demise.

2. Interview at Abuja on June 28,1999 with the former Secretary to the Federal Government and the head of Service. He contends that if continuity and accountability were the rationale, the changes were ill advised. According to him, it was a fundamentally flawed process that replaced stability, continuity and accountability, which career civil servants provided with ministerial political appointees in a military regime. He also believes that given Babangida's penchant for constantly removing and replacing disfavoured Ministers, the new introduction was most unhealthy for national policy, planning and implementation.

3. See Federal Republic of Nigeria; decree No. 25 – Privatization and Commercialization Decree 1988, Official Gazette, Vol. 75. No 42, 6th July, 1988, ppA673-A683.

4. Interview at Kaduna on June 29/30, 1999 with the former Minister for Economic Planning. He contends that although the administration's official policy was SAP, there was lack of structure in both articulation and implementation. According to

him, the different ministries were functioning at such cross-purposes, and often times with the seeming acquiesance of the presidency that one could not but wonder whether it was not official, albeit unwritten, policy that the programmes not succeed.

5. See data on impact of SAP on the rural dwellers by CBN/NISER, National Study "The Impact of SAP on Nigerian Agriculture and Rural Life, Lagos, Page Publishers, 1991.

6. See Transition to Civil Rule: Laws and Materials on the Electoral Process, NEC, 1990, Lagos: Nigeria.

7. In his address to the National Assembly on August 17, 1993 titled "Nigeria's Democracy and Withdrawal Process" Babangida used the phrase, which instantly caused a national curiosity as to its significance and import of the usage, especially as it gave the impression of someone simply taking a temporary leave of absence.

8. Interview in Abuja on December 17, 1999 acknowledges that the estimates were deliberately conservative in view of public sensitivity and the other sources of spending which fell under "security" vote and not eligible for public accounting and records.

9. Committee for Defence of Human Rights, Annual Reports Lagos, 1992, Page 35.

10. The only other military dictator to serve near as long was General Yakubu Gowon (1966-1975), who was however pre-occupied with the prosecution of the Nigerian civil war (1967-1970).

11. In 1990-92, the Babangida announced what it termed "3-year Rolling Plan." The

Rolling Plans seem to have been designed to package all uncompleted government projects during the previous plan periods and bring them to completion during the relevant Plan year. The idea basically was that any Rolling Plan project not completed in the relevant period was to be "rolled over" to the next period.

12. Based on the account of interview with the former Minister of Finance, and Deputy Governor of Central Bank both of whom served in the administration. See endnotes 1 and 8 above.

13. See endnotes 1 and 8 above.

CHAPTER ELEVEN

MARKET AND ECONOMIC DEVELOPMENT: 1993 – 1998 (UNDER GENERAL SANI ABACHA)

INTRODUCTION

General Sani Abacha came to power on November 17, 1993 after sacking the political contraption that was the Interim National Government (ING) headed by Ernest Shonekan. Although he called his take-over "a child of necessity", it would appear [1] that the ING was set up specifically to enable him take over government at some convenient stage in the life of the ING. It is particularly curious that the provisions of Chapter five (V) subsection 48 of the ING Decree 61, inter alia, states: "The most senior minister shall hold the office of Head of the Interim National Government if the office of the Head of the Interim National Government becomes vacant by reason of death or resignation".

General Abacha who presented himself as the last guarantee of the country's strained unity on assumption of power proceeded rather rapidly to consolidate his hold. Apart from co-opting politicians of all hues into his cabinet, including those he sacked from both appointed and elected office, he also effected a wholesale weeding out of the so-called "Babangida Boys" from the military establishment. This move was particularly popular in view of the fact that the military establishment Babangida left behind was highly politicized and absolutely corrupt. However, by the time Abacha died in rather mysterious circumstances on June 8, 1988, the country had been through his style of political and economic transition; not particularly different from the Babangida's experience, except that his (Abacha) was more obviously nationally and internationally insensitive and ruthlessly brutal in implementation. "If Babangida was Machavelli's low and cunning fox, Abacha was his mean spirited and iron-fisted lion, mindless of the rationality of the exercise of power. Unfortunately, both 'Princes' also had scant regard for the interests of their 'subject' and the principality" (Mustapha, 1999, 278-179).

MARKET/ECONOMIC POLICY INITIATIVES

According to some opinions, Abacha's take-over marked a reversal of the policy of economic deregulation of the state; as there was a return to a regime of economic regulation with the state determining the exchange and interest rate, among others. His administration also declined to move the privatization process any furthe (Economist, January 25, 1987, 41; Adejumobi, 1985, 184). And although it is speculated that they were essentially designed to placate political and other vested interests in order to garner support for the new regime, the evidence strongly suggests that the policy retention arose from a perceived need for substantial continuation of the Structural Adjustment Programme (SAP) and Rolling Plan era of the Babangida regime. "In 1995, even with a new military government under General Sani Abacha, the precepts of SAP still dominated the government's economic mentality, and its tenets and modalities still dictate the management of the national economy…"(Yusufu, 1996, 95). Apart from the occasional intervention to stabilize the rate of foreign exchange with the official pegging of the rate of NG 22 to $1 for certain government transactions, while the prevailing market rate had been over NG80 to $1, the administration seems to lack creative or innovation political or economic initiative.

The existence of a dual rate adversely affected the real economic sectors – manufacturing, agriculture etc that was compelled to source foreign exchange in the parallel market sustained by policy-induced "round tripping". The encouraged existence of the parallel market was sufficiently destabilizing, even though they were briefly outlawed in 1994.

The administration essentially reiterated past administrations emphasis on perceived critical economic policy imperatives. For example, in his 1995 budget address, General Abacha felt obliged to reiterate the important role of agriculture in the economy and strongly noted, "In the quest for economic recovery, agriculture must provide the lead". He further noted Nigeria's position as the world's leading exporter of palm produce, in addition to being the second largest exporter of natural rubber. While noting that the country was hitherto self-sufficient in food and agro-allied raw materials, he pledged to return it to its former glory "a new approach to economic recovery through the revitalization of the non-oil sector must now be implemented with dispatch. Government will finance and provide an enabling environment for the revival of tree crops and tubers; encourage the increased production of cereals and legumes, livestock and fisheries..." According to him, NG 2.7 billion was earmarked to implement" the development of agriculture and solid minerals...without prejudice to additional funds to be spent in this area from the Special Trust Programme. As he indicated in his new directives to all State (military) Administrators and the Federal Ministry of Agriculture for States to realize their most suited agricultural products potentials, he believed that "...once more in this country, groundnut pyramids and cotton in some of the Northern States, cocoa and rubber in the Western State, palm oil and kernels in Eastern States..." will return the country to its historic base of natural wealth (Abacha, 1995,26-32). However, after two years of monetary and fiscal restraint, the administration's spending, based on projected oil price of $17 a barrel, rose astronomically. Essentially, infrastructure spending doubled to nearly a fifth of the entire budget. Spending on Agriculture, Water Resources and Rural Development also doubled.

The Rolling Plans, introduced during the extremely uncertain and ineffectual economic plan periods of General Babangida's administration and which had been described as no more than instruments to patch up the yawning cracks and gaps created in the economy by SAP, (Yusufu, 1996, 109), assumed a permanent, recurring feature of the new administration, since it apparently substituted for regular development plan periods. It also inherited or rather adopted the Better Life for Rural Dwellers (BLP) programme from the Babangida administration. Except that it was now renamed Family Support Programme (FSP), even though it substantially reflected the main objectives of BLP, and essentially, like its predecessor programme, replicated functions already assigned to other agencies of government. This obvious conflict in programme implementation's formulation and had the effect of the different agencies working at cross-purposes, duplicating efforts and resources. Needless to say, rural economic and social conditions did not fair any better. According to some estimates, the FSP gulped over NG10 billion of public fund at a time the government was retrenching civil servants (Tell, 3rd August, 1998).

The government also set up the Petroleum Trust Fund (PTF) headed by a former military head of state, General Mohammadu Buhari. The PTF resources were derived from "excess tax" on petroleum. In a manner of speaking, the PTF was an alternative poverty alleviation programme set up by the government. Apart from its independent development generating initiatives and activities, it was also ostensibly meant to safeguard "deregulated" petroleum revenue from public servants (for fear of misappropriation). The Fund promptly became not only an alternative to the Ministries of Works and Housing, Health and Economic development, it also effectively became an alternative to treasury, with over $700 million to spend initially on road improvements, and the import of essential drugs. For all practical purposes, the Fund by-passed the two ministries concerned in the execution of its programmes. The operation of the Fund, like most government – sponsored organizations was bedeviled by corruption and mismanagement. The Fund had an average of NG 52 billion every year to spend on Nigeria. At the end of the PTF's reign, the country's poverty and underdevelopment level remained unchanged. According to Dr. Haroum Adamu's interim report, NG135 billion out of NG146 billion was squandered, possibly through over-invoicing, over supplies, supplying expired materials, wrong project priorities, settling perceived troubled spots, like the army and the police and blatant thievery (Anthony Maduagwu, 2000). The new administration of president Obasanjo compelled the Fund's liquidation in 2000.

Another area of seeming major economic initiative was Vision 2010. This was originally conceived in November 1996, ostensibly to establish a dialogue on economic policy initiative between the public and private sectors. The initiative essentially envisaged an economic environment in which the economy is growing at an annual average rate of 10 per cent, with inflation contained at below 5 per cent. It also envisages a manufacturing sector accounting for about 24 per cent of GDP (compared with 11 per cent in 1998), with the share of oil declining to below 20 per cent (against 30 per cent currently), and crude oil's share of total export falling from 97.4 per cent in 1995 to 62 per cent in 2000. It also foresees per capita income rising from around $300 in 1998 to $16,000 by 2010. In its estimation that would ensure that "Nigeria would have returned to the rank of middle income countries". Also included as a primary aim of the initiative is the "virtual full employment of all able – bodied persons" with the high, if unrealistic hope, that "by the year 2000 Nigeria should be a corrupt-free society"

Although inflation had fallen from a high to 70 per cent in 1996 to well under 30 per cent, and oil-bolstered GDP had gone up 3.25 per cent in 1996, the predicted increase of 5.5 per cent was never realized. Nonetheless, the balance of payments deficit had declined significantly to less than NG 800 million, whilst the external reserves had risen to about $4 billion.

The sharp decline in world prices in 1998, and the ensuring one-third fall in oil receipts (US $5 billion) aggravated the already precarious economic situation. By 1998, real GDP slowed to an estimated 2.3 per cent, while real national income declined substantially. Inflation rose from a low of 6 per cent in the 12 – month period ended March 1998 to an estimated 15 per cent in December 1998. The balance of payments also weakened sharply, with the current account balance shifting from a surplus of $1.9 billion (9.1 per cent) in 1998 (IMF, 1999, 2). Also recurrent federal government expenditure increased by NG 48 billion, substantially more than budgeted. Total federal government capital expenditures, were NG 67 billion higher than in 1997. Expenditures of state and local governments (including special funds) were also higher by NG 45 billion.

The manufacturing sector's overall capacity utilization, on average, showed a relative improvement during the first half of 1998. Although it stood at 27.83 per cent, in real terms this performance represents a marginal decline of 0.4 per cent. Besides, all industrial sub-sectors with the exception of four registered increased capacity utilization. The sub-sectors that witnessed a decline were: Pulp, Paper and Paper Products; Printing and Publishing (26. 65 per cent compared with 27.83 per cent in the corresponding period of 1998); Chemicals and Pharmaceuticals (26.59 per cent as against 28.14), and Basic Metal, Iron and Steel and Fabricated Metal Products with 24.08 per cent contrast with 27.08 in 1997. For Food, Beverages and Tobacco sub-sector the decline was from 32.47 per cent to 31.65 per cent during the period under review. Non-Metallic Products with 54.38 per cent recorded the highest performance (M.A.N., 1999).

Again, not unlike the administration before it, the Abacha administration ignored critical development areas: education, health and social welfare. With an annual population growth rate of about 2.8 per cent over the past decade, out-stripping the average annual GDP growth rate of about 1.6 per cent, less than75 cents of the federal budget was allocated to health, and only 50 per cent of children between the ages 5 and 24 years were enrolled in schools.

Under General Abacha, Nigeria had very unhealthy relationships with the international community, especially the Bretton Wood institutions and bilateral donors because of human rights abuses and rather arbitrary economic policies. It has been suggested that debt rescheduling came to a virtual stand still; and so was any kind of foreign assistance or cooperation. The decline in oil revenue compounded a situation that caused the administration to resort to printing money to finance the government deficit (Moser, Rogers and Van Til, 1997, 39).

POLITICAL INITIATIVES

It is doubtful whether General Abacha had any genuine disposition at evolving an authentic democratic transition. Like General Babangida, there was a very personalizing process with this administration that it may be inappropriate or inaccurate to refer to it as a FMG. A more appropriate usage could be the military government of Abacha. Although he promised to return the country to constitutional democratic rule at the earliest opportunity, he however predicated that on the outcome of the deliberations of a Constitutional Conference he subsequently set up. The conference, he promised would determine the length of his administration. When, taking his words on the face value, the Conference set a terminal date of January 1996, for his administration, he proceeded to surreptitiously undermine the Conference deliberations. Even then, the so-called 1995 Constitution drawn up by the Conference was incessantly tampered with, and was not released to the public, thus ensuing yet another "transition process" which was supposed to lead to an elected constitutional government in October 1998. "The institutions that were to mid-wife this transition were the National Electoral Commission (NECON) and the Transition Implementation Committee (TIC). Both were loaded with unashamed Abacha apologists" (Mustapha, 1999, 279).

The party registration process that was supposed to usher in the democratization process was gravely rigged. Virtually all the viable political associations were denied registration. The five political parties eventually formed and registered under the transition were so unabashedly compromised that they were "described, as the leprous fingers of the same hand" (Mustapha, 1999). In April of 1998, all the five registered political parties nominated General Abacha as their sole presidential candidate for the election scheduled for August 1998. The relevant sections of the laws were to be changed to allow a serving military officer to run for office. As if these were not strange developments enough, the election was now to be a referendum; a straight "yes" or "no" on whether General Abacha should transit to a "civilian" president.

The citizenry was so thoroughly and completely disenchanted that in the April 1998 election to the National Assembly, only about 10 per cent of the electorate bothered to vote. The determination to succeed himself had become so resolute and desperate that General Abacha summoned religious leaders of all faiths to Abuja in May 1998 for supplication; on behalf of himself and his mindless quest. He also sponsored endless promotional activities. "Abacha sponsored an endless chain of groups to sing his praises. The most notorious of these hundreds or so groups was "Youths Earnestly Asking for Abacha" (YEAA), who organized the infamous Two Million Man March in March, 1998 to 'persuade' Abacha to run for President. NG 500 million of public funds and countless public facilities, including two NNPC helicopters, was put at their disposal. This was a desperate attempt to create a semblance of popular support for his enterprise. In what appears a bare-faced attempt to bribe his ambition through an economically "sapped" and deprieved citizenry, 'Abacha model' television sets 'Abacha soap' 'Abacha rice', and 'Abacha jewellery' were imported and distributed throughout the country. It became obligatory for government officials and those hoping to transact business with any arm of government to wear Abacha badges on their cloths and have stickers on their cars" (Mustapha, 1999, 279). By the time General Abacha died of an apparent heart attack, albeit mysterious circumstances, on June 8, 1998, there was this collective sense of national relief; indeed by accounts a breathe of fresh air to a brutalized, traumatized and economically deprieved citizenry.

EVALUATING POLICY OUTRCOMES

Although General Abacha described his takeovers as a "child of necessity", what appeared obvious, in time, was his administration's lack of focus and responsive initiatives in the management of the economy. His administration did not only halt the privatization process and evolved a very personalized and suffocatingly rigid policy, mindlessly routed in corruption and mismanagement. His administration attempt at the Failed Bank Tribunal was believed to be a witch-hunt at eliminating wealthy, potential opponents (Economist, June 8, 1996, 46, 48). Even then, General Abacha turned out to be one of the most corrupt Leaders Nigeria had.

Like General Babangida before him, General Abacha resorted to the personalization of power, and what was characterized as "imperial presidency". But unlike, General Babangida, his circle of pilfering corrupt fellow travelers was not as wide. Personal contacts with General Abacha were limited to a few trusted allies; and his was a very patrimonial structure devoid of proper bureaucratic channels. It has been suggested that General Abacha's eldest son, Mohammed Abacha requisitioned $100 million from the CBN; even as it was revealed after his death that he himself had stolen about $2 billion of public funds between 1993-1998. Over $817 million and NG 8 billion have been recovered from the family. Other Cabinet Ministers have been implicated in the large scale looting of government confers, like Minister of Finance, Anthony Ani (Mustapha, 1999; Newswatch, 2000;Vanguard, 2000).

As was also the situation in General Babangida regime, the level of corruption and mismanagement perpetrated by General Abacha and his associates effectively misappropriated resources in all critical areas of development. By the time of his death, Nigeria was a country in limbo, politically and economically.

CONCLUSION

From the point of view of increased oil revenue in the later that year, of NG 0.46 trillion in 1998 and NG 0.95 trillion in 1999 (CBN Report, 2000), overall economic development initiatives did little, if at all, to impact the life of the citizenry. The administration that emphasized the resuscitation of the non-oil sector ended up showcasing some of its worse performances. For example as percentage of total exports, the non-oil exports dropped steadily from 4.53 per cent in 1998 to 1.64 in 1999.

In 1998, real GDP growth slowed to an estimated 2.3 per cent and real national income decreased substantially owing to the fall in oil prices earlier in the year. Inflation rose from a low of 6 per cent in the twelve- month period ended in March 1998 to an estimated 15 per cent in December 1998. The balance of payments also weakened sharply, with the current account balance shifting from a surplus of $1.9 billion (4.9 per cent of GDP) in 1997 to a deficit of an estimated $3.1 billion (9.1 per cent of GDP) in 1998(World Bank, 2000). These statistics are significant against the background that during this period, government serviced only part of its external debt, having by 1994 imposed an embargo on contracting new debt (CBN, 2000). At the of the day, the country's economic and social development remains deplorable, with per capita income at only $240 in 1997 (World Bank, 2000).

GENERAL ABDULSALAMI ABUBAKAR
(1998 –1999)

INTRODUCTION

General Abacha's death in rather mysterious circumstances and Moshood Abiola's curiously coincidental demise shortly thereafter put paid to whatever festering controversy that might be lingering on account of the aborted the June 12, 1993 election debacle. These developments made the work of General Abdulsalami Abubakar who succeeded Abacha easier, in that he was able to evolve a transition programme, which he proceeded to implement rather expeditiously. There are divergences of opinions as to why he rapidly evolved a transition to civil rule progrmme. Some believe it has to do with a very restive population that was determined to resist any continuation of the military charade in the name of transition (Mustapha, 1999, 281). Others contend that the military got out of power not because of their regard or sensitivity to democratic values, but because of the dreadful state of the economy (Chris Mcgreal, 1999). For whatever reason, what is clear was that the political, social and economic situation in the country, including relations with the international community, was at the point of near irredeemable collapse; and that the country desperately needed new directions, which was obvious the military was in no position to provide; not even after their long successive tenure.

It is important to mention here that General Abubakar was in power for less than one year, June 8, 1998 to May 29, 1999. In the circumstances, it could be said that he was, literally speaking, a "holding" rather transitionary, military Head of State, whose most significant accomplishment had more to do with promptly effecting the transition programme and less with any identifiable economic development programme; except for the overall economic impact of both the transition programme and the massive corruption and mismanagement that attended his administration's disengagement activities. "Even the most recent military ruler, General Abdulsalami Abubakar – widely praised for holding elections and handing power to President Obasanjo – oversaw what turned out to be massive plundering of the central bank before leaving office. In recent months about pounds 2 billion – more than an entire year's debt payment - has evaporated from the treasury. Much of it disappeared into the pockets of military officers" (McGreal, 1999).

EARLY POLICY INITIATIVE

General Abubakar, on assumption of office, announced a transition programme in July 1998. Following which he disbanded the National Electoral Commission (NECON). T he Commission had become completely discredited on account of its conspiratory and conniving engagement with the Abacha regime. The entire so-called local and state government elections, as well as the national assembly's elections held under the Abacha transition were annulled; to popular acclaim. The administration announced a new timetable, terminating on 29th May 1999, instead of the October 1, 1998 date originally set by General Abacha.

The administration's pronouncements on the economic sphere were less realistic and even far less realizable. In what was dubbed "Budget of Realism", though subsequently, even if brief, implementation showed a level of prodigality that was extremely disquieting, but not uncommon with the country's previous military leadership shenanigans. General Abubakar noted "...but we have with great realism, taken into serious consideration the hard facts of our peculiar situation and come up with tough decisions on necessary policy actions that would launch our country into genuine economic greatness…" (Abdulsalami Abubakar, 1999).

According to him, the 1999-2001 National Rolling Plan (NRP) will continue to draw inspiration from what he described as the broad goals of and objectives of the Vision 2010, namely:

(a) Diversification of the productive base of the economy through enhanced capacity utilization in industry, increase agricultural productivity, and accelerated development of the gas and solid mineral sectors;

(b) Promotion of sustainable economic growth through achievement of macro-economic, exchange rate and fiscal stability as well as product monetary policies;

(c) Rising income levels and reduction of the level of unemployment through enhanced economic growth and vigorous implementation of poverty alleviation programmes;

(d) Facilitating private sector-led growth through the creation of appropriate enabling environment, institutions, and policies as well as legal and regulatory framework.

However, the focus and policy thrust of the 1999 budget was one of emphasizing objectives, strategies and priorities, namely:

-Achieving at the minimum, a three per cent overall growth rate of GDP;

-Establishing institutional, legal and regulatory framework as well as policy reforms necessary for economic growth and diversification;

-Maintaining appropriate fiscal, monetary and exchange rate policies with a view to achieving overall macro-economic stability;

-Eliminating the dual exchange rate regime;

-Continuing the policy of privatization of state-owned enterprises;

-Sustaining the single-digit inflation rate achieved for most of 1998 fiscal year;

-Enhancing efforts on capacity building and utilization;

-Sustaining prudent internal and external debt management systems;

-Reducing the level of unemployment;

-Expanding the existing revenue base by exploring new sources of income;

-Improving the internal security system to create a safe environment; and

-Developing and rehabilitating physical infrastructure to facilitate investment and economic activity (Abubakar, 1999).

Another significant components of the budget speech was the restoration of the autonomy of the CBN, as well as lifting the embargo on external loans, particularly with respect to concessionaire and project-tied loans and credits. The administration also replaced the pre-shipment inspection requirement with a destination requirement. It is believed that this would, to enable the easy and free flow of goods through the ports as well as encourage foreign investment participation.

The administration also promulgated the Public Enterprises (Privatization and Commercialization) Decree, 1999, which came into effect on 31st December 1998.

For a government that had less than five months to hand over power to an elected civilian government, these policy outlines and projections are not only ambitions, they seem patently unrealistic.

CONCLUSION

It would appear that General Abubakar's most enduring legacy was one of highlighting the larger ramifications of the micro – and macro economic short Falls of the Abacha administration, especially its failed and seemingly unachievable economic development projections; and to rapidly set in progress a process that finally culminated in the civilian administration of President Olusegun Obasanjo.

His economic development policy thrust for the very short life of his administration can only be grasped against the background of his budget speech and the reality at his administration's terminal date. In his Budget of realism, he noted that "The overall fiscal deficit for the Federal Government in 1999 is projected at NG 34.1 billion, representing 1.05 per cent of project GDP. This deficit is arrived at after taking into account considerable anticipated transfers, including draw-down from our external reveres…"(Abubakar, 1999). However, in what has been comically described as "injury-time looting", billions of pounds have disappeared from the country's reserves. The last-minute level of looting by the administration is mind-boggling. Between January and April 1999, the administration ran up a budget deficit of NG 100 billion, a figure far more than the entire deficit for 1995. Between of the inverse correlationship between public looting and foreign exchange rate in Nigeria, during the administration's short tenure, the Naira depreciated by 11 per cent and inflation over 12 per cent (Mustrapha, 1999, Vanguard, 1999; Newswatch, 1999).

ENDNOTES

1. See Abdul Raufu Mustapha's "The Nigerian Transition: Third Time Lucky or More of the Same" in *Review of African Political Economy*, June, 1999; Abubakar Momoh's "The Political Economy of Transition to Civil Rule", in *The Political Economy of Nigeria under Military Rule: 1984-1993,* for a detailed analysis of the processes antecedents and the role played by General Abacha in the military regimes that span the periods 1983- 1993.

CHAPTER TWELVE

CONCLUSION: MILITARY GOVERNMENTS AND ECONOMIC DEVELOPMENT

This chapter attempts to draw together the findings of the last six chapters (with relevant reference to the Shagari administration) as they relate to individual regime's performance.

Between 1966 and 1999, the military institution in Nigeria, through coups and counter-coups, assumed responsibilities for determining, formulating and implementing, social, political and economic development policies, except for a cumulative ten-year period between 1960-1966 and 1979-1983. This period may appropriately be described as civilian interregnums. What informed the policy choices or decisions of the military governments, and whether those resulted in economic development and improvement in the overall well-being of the citizenry, have been the subject of this study. The attempt in this chapter is to determine whether those policies were more directly informed by any particular preferences: defense, agriculture, education, health, employment or social welfare. And if they were, were they grounded in any realistic leadership-articulated conceptual relevance, to be consistent and realizable? Indeed, were they realized?

It should be noted that from the point in January 1966 that the military took over power in Nigeria all the critical issues associated with economic development were present namely: agriculture, education, health, employment and social welfare. It is also important to mention here that in the interval, new dimensions and scope have been added to measuring economic development that further enlarges the analysis and resource requirements, namely "...how to measure economic development as a whole once it is understood that growth is only one aspect of the development of societies and that there are other equally important dimensions such as political democracy and human rights, health, education, the environment, and equal access to opportunities" (Philippe Aghion, 2000, 54).

National Development Plans and budgetary processes essentially formed the premises of military governments' policy options and implementation. And the experience in Nigeria, where national budgets were prepared by soldiers or through their directives and by civil servants and technocrats who were obliged to satisfy their employer's (the military) preferences, is very instructive. The policy preferences obviously seem to be one that invested less in human resources development. The budgets showed clear sectoral preferences to issues like defence, general administration and internal security. Table 12.1 reveals that between 1975 and 1994, budget estimates by government on health and education were much lower than budget estimates on defence, general administration and internal security (an undisguised reference to the military governments' concern and preoccupation with possible coup attempts). It was also the case that defense and associated spending were rarely affected by austerity budgets, not even in the years 1987 and 1994 when the Babangida's, and subsequently Abacha's military administrations were subjecting the citizenry to the most harrowing and dehumanizing Structural Adjustment Programme (SAP) (M.M. Afolabi, 1999; Olayiwola, 1987). Although some have argued that the increase in defense spending went to finance improvements in pay and conditions (Omari, 1972, 164; Bayham, 1988, 229) and that the trickle–down effect of this expenditure created evident growth for the rest of the economy; especially for a country like Nigeria with a sizable military, which increased from 10,000 in 1966 to 250,000 in 1970. The evidence on the ground does not support this contention.

ACTUAL EXPENDITURE OF NIGERIAN GOVERNMENTS FROM 1975 TO 1994 (N MILLION)

Table 12.1

Year	Health	Education	Defence	Internal Security	General Administration
1975	82.8	850.0	N/A	1803.2	N/A
1976	140.3	1051.2	N/A	1805.6	N/A
1977	123.8	504.1	N/A	2053.8	NA/
1978	155.3	826.6	N/A	2249.4	N/A
1979	77.5	667.1	N/A	1769.0	N/A
1980	360.0	1238.5	N/A	3205	N/A
1981	416.0	930.0	N/A	3713.9	N/A
1982	269.0	924.2	N/A	2910.6	198.7*
1983	254.5	956.0	N/A	3114.2	N/A*
1984	121.6	745.5	N/A	2820.8	119.2*
1985	223.4	823.4	N/A	2950.8	147.0*
1986	312.2	875.2	803.2	439.9	1697.4
1987	124.2	448.7	2155.0	1190.8	4516.7
1988	578.2	1786.7	1720.1	1200.9	4655.4
1989	796.8	3399,3	2291.3	1082.4	5586.3
1990	823.2	2819.1	2285.2	1653.6	5521.3
1991	771.3	1553.3	2711.7	1869.9	5708.2
1992	1634.0	2414.2	4821.8	3874.6	5276.8
1993	2567.6	6331.5	6381.6	3850.4	16215.8
1994	2843.1	9434.7	6607.7	5559.6	17152.6

*** No record of current expenditure**
N/A = Not available
1 Provisional – Available capital expenditure is provisional
Source: Federal republic of Nigeria official gazettes

This sectoral preference practice cuts across all the military regimes, so much so that one of the regimes that was perceived as the most "progressive" in the human development area (The military administration of Generals Mohammed/Obansanjo), the emphasis or focus did not change. For example, in the year 1977 when NG 123.8 million was spent on health and NG 504.1 million, on education, the sum of NG 2053.8 million was spent on internal security. Also in 1987 when only NG 124.2 million was spent on health, and NG 448.7 million was expended on education, NG 4516.7 million was spent on general administration, and NG2155 million spent on defence, while NG 1190.8 million was spent on internal security.

Furthermore, Table 12.2 indicates that education, and health expenditures represented on average, between 1 and 5 per cent of total federal government expenditure between 1990 and 1994. According to these estimates, in the years 1990, only 5.3 per cent of the annual federal budget was spent on education. This decreased to 4.1 per cent in 1991. This again increased to 6.3 per cent and 7.3 per cent in 1992 and 1993 respectively (typically without any consistent and discernible rationale).

SELECTED SOCIAL INDICATORS OF NIGERIA: PERCENTAGE OF HUMAN RESOURCES DEVELOPMENT ALLOCATION IN NATIONAL BUDGET

Table 12.2

Sub-Sectors		1990	1991	1992	1993	1994
(i)	Federal Government Budget Allocation to Education (N million)	2,121,2	1557.5	2404.6	7999.4	10283.8
(ii)	Percentage of Annual Federal Budget	5.3	4.1	6.3	7.3	14.9
	Health					
(i)	Federal Government Budget allocation to Health N (million)	904.9	1091.8	1051.1	2652.2	3042.4
(ii)	Percent of annual Federal Budget	2.5	1.4	2.0	1.5	4.4

Source: Derived from Statistics of Ministries of Education, Health, Office of Statistics and CBN Estimates (Various years)

The Table also reveals how dismal the situation was with health. The percentage of annual federal budget spent on health ranged from 1.4 per cent to 4.4 per cent between

1990 and 1994. According to Gunatilleke, G (1995, 4), the World Health Organization (WHO) recommendation for developing countries should be at 5 per cent of total national budgets. If it is noted that these are minimum recommendations, and does not even rise up to acceptable national-need requirements levels, depending on other variables that could impact human development, the enormity of Table 12.3 would be better appreciated.

Table 12.3 shows a comparative study of per capita expedition on health in some African countries between 1975 and 1985. Nigeria's data figures show one of the most deplorable, if not worst, regressive per capita expenditure on health. Saadet Deger commented in his "Economic Development and the Military" that indicators on socio-economic development shows that "...Nigeria, in spite of earning five times the income of the average Tanzania, seems to have a higher possibility of being illiterate, a larger probability of dying at birth, a lower life expectancy and a lesser chance of drinking safe water. Again increased militarisation is maybe, having a deleterious effect on the quality of life" (1986, 231-238).

CENTRAL GOVERNMENT PER CAPITA EXPENDITURES ON HEALTH IN SOME AFRICAN COUNTRIES
1975-1985

Table 12.3

	1975	1976	1977	1978	1979	1980	1981	1982	[illegible]
Botswana	19.00	20.91	25.10	23.04	19.13	27.06	34.13	29.72	[illegible]
Cameroon	10.96	11.09	10.82	11.56	10.94	12.36	9.88	13.52	[illegible]
Egypt	11.60	11.97	12.95	13.42	12.42	12.42	10.53	8.64	[illegible]
Ghana	9.03	8.56	6.91	6.77	4.63	3.96	3.81	3.32	[illegible]
Kenya	10.43	10.02	10.05	11.88	12.09	13.42	14.07	13.41	[illegible]
Liberia	12.33	14.31	14.52	18.38	15.33	10.91	17.06	17.10	[illegible]
Marritins	26.06	33.11	37.46	40.54	40.95	29.96	30.46	32.74	[illegible]
Nigeria	3.45	3.90	3.71	2.72	3.67	3.79	1.85	2.19	[illegible]
Swaziland	10.43	19.92	20.95	21.85	19.70	21.81	20.81	28.94	[illegible]
Togo	12.37	12.36	12.13	12.66	11.54	10.78	10.03	10.70	[illegible]
Zimbabwe	16.17	16.65	15.68	16.96	16.07	16.99	20.64	23.22	[illegible]

Source: Gallagher (1988: 7)

The first military intervention in Nigeria fatefully coincided with first oil boom. It is rather comically interesting that intervention in the first place was hoped would remedy mismanagement and corruption of the First Republic civilian administration. And it must be added, was also the primary rationale for sacking the Second Republic. The new military leadership touted its determination of using the country's resources, especially the oil boom, to enhance national economic self-sufficiency in food and cash crop production, manufacturing capacity, education, health, transportation and social welfare.

Although the First Plan estimated NG 1.351 billion, out of which 67.8 per cent was reserved for the economic sector, 24.4 per cent to social services and 7.2 per cent to administrative services (Tomori and Fajana, 1979); even if sufficiently constrained by 50 per cent foreign aid expectation, the plan lacked appropriate focus and implementation prioritization. At what Rostow would characterize as "rudimentary" stage, the emphasis ought to have been agriculture, which employed over 75 per cent of the country's labour force, sustained its food production capacity, as well as being a primary foreign exchange earner. Rather the emphasis was on building infrastructure such as road, bridges, electricity, railway etc. (Edwin Dean, 1972); some of which did not qualify as priority, in of the country's overall competing development needs and alternatives. Some of these showed noticeable sectoral growth even as they did not diminish the critical need for selectivity. Examples abound, like the road building during the period, which experienced heavy growth. The total road network increase from 66.074 kilometers in 1960 to 95,374 kilometers in 1972, an increase of 44 per cent (Second Progress – Report (Lagos: Central Planning Office 1974). The combined lengths of roads and bridges under construction increased from 4,800 kilometers to 14, 500 kilometers (Economic and Statistical Review, 1979, XIX). However, lack of subsequent sustainable maintenance capacity due to premature level attainment has since precipitated a rapid deterioration of those infrastructures.

Predictably this misplaced policy thrusts in the First Plan appears to have set the stage for subsequent other Plans formulated and executed by successive military regimes. It would appear that an economy which translated, for all intents and purposes, into an increased centralization of administration and decision-making (by reason of the hierarchical top-to-bottom military culture), and which conferred enormous powers of patronage and influence on a select few with a large capacity for corruption and mismanagement, lacked the inherent capacity to be responsive and need-oriented. There are reasons to think not. For it has been suggested that even the socio-economic achievements that were apparently recorded in the 1970s were not commensurate with the magnitude of resources deployed. And that beneath the apparent dynamism that seems to characterize the period, was an unsettling shallowness connected with the fundamental structural weaknesses of the national economy (Democracy in Nigeria, 2000, 91).

For example, agriculture, which was hitherto, the mainstay of the economy was, starting from the First Plan, neglected. And pitifully where there was little evident productivity, the marketing boards were used as instruments of regressive taxation; which reduced producer prices by between 20 to 30 per cent, and thus acted as disincentive to the farmers (Nelson et al, 1972, 332-334; Helleiner, 1966). The neglect, which heightened with rising increase in oil production, accelerated the decline in food and cash crop production, leading to an increased dependence on food imports. The neglect, which had implicatory impact on rural farmers, precipitated rural-urban migration, reinforcing both the crisis in agricultural production and urban sprawl.

The national manufacturing sector did not fair particular well either, though on the face of it, appeared vibrant. Over 90 per cent of their activities were concentrated in the light-manufacturing sector, which depended almost completely on imported inputs for sustenance. Indeed the domestic value added in the new industry was low: their products had high import content and profits could be freely repatriated. Firms with prior interest in the market (raising critical questions of new value to the economy) accounted for major part of Nigeria's import-substituting industrialization (Kilby, 1969,75-79, Dina, 1971, 393). Besides, the subsequent massive and repeated devaluation of the naira, which was complemented with the liberalization of prices, interest rates and trade, as well as efforts to trim public expenditures and recover costs, had the effect of further decimating the national manufacturing capacity. This general state of affairs was compounded by the failure of some of the strategic intermediate and capital goods investments made by the state under successive military governments to get off to proper start due to poor conception and implementation, not to mention outright corruption.

Unfortunately, the transformation of the basis of accumulation from agriculture to oil also translated into an increased national economic vulnerability to external shocks in the context of an almost complete dependence on one commodity for national economic development. And successive military governments did precious little to diversify this structural disequilibrium. Ultimately the collapse of the world oil market led rapidly to the accumulation of over $30 billion in debts by the end of the 1990s as the government embarked on domestic and international borrowing in order to sustain the level of economic activities in the country. The repayment structure of this huge debt became an unsustainable debt burden, which effectively eroded what was left of the social gains of post-independence period in all departments, and diminished the capacity of the state to deliver public goods. It has been suggested that if the oil boom years witnessed the graduation of Nigeria into the ranks of the middle income countries of the world, the decades of the 1980s and 1990s witnessed its relegation back into the ranks of the low income countries; and by 1990s had become one of the poorest, with per capira income falling below $300, with over 80 per cent living below poverty line from a low of 41 per cent between 1992 and 1998 (Democracy in Nigeria, 2000, 93-99).

The Land Use Decree, introduced during the Third Plan period, by the Obasanjo administration, was ostensibly for a number of beneficial reasons. For example, it was believed that the Decree would ease the land acquisition process thus increasing agricultural production and other productive uses; and especially to "attract foreign entrepreneurs and foreign capital into agricultural production" (Ake, 1985, 17). The exercise was a monumental failure. Conceptually it lacked practical application in its failure to reckon with the complicated land tenure system in the country. Other features of the failure are evident. For example, manufacturing firms without expertise in farming suddenly found themselves scrambling for land for farming, even when they lacked the expertise. Because the Decree vested all public land in the state governors, companies wishing to acquire land had to queue up in the governors' offices nationwide. It has been suggested that the Decree simply gave the bureaucracy new powers of land allocation, which it used to favour public servants and private business (Koehn and Aliyu, 1982). The result was official corruption involving governors, commissioners, permanent secretaries and other public officials. The larger consequence was the complete disinheritance of the majority of rural dwellers and farmers, for whom land provided both nominal asset and a practical means of livelihood, thus affecting their standard of living. It is perhaps in the light of the above that the opinion of Ake, as to the real reason for the Decree might be viewed. "...But its latent function, far more significant than its manifest functions, was to increase enormously the power resources and access to surplus of those who have executive control of the machinery of state. It gave them power to appropriate any house or land, to allocate it to any person or to any use they pleased, for any length of time they pleased" (1985, 17).

Government other major policy initiative was the Indigenization Decree. It believed that through participation, Nigerians would be encouraged to acquire the entrepreneurial know-how, which will enable the development of a better habit of saving and thrift, all of which are considered essential for the economic independence of the country (African Research Bulletin, March, 1980, 2015). The scheme was essentially conceptualized as a vehicle to localize ownership and participation, through equity transfer to individuals and also direct government participation. In addition the Decree sought to limit the sectors of the economy in which foreign companies could operate without success. The aim ostensibly was to push foreign capital into higher technology areas, thereby creating opportunities for Nigerians in other areas (Vision 2010, 1997). Unfortunately, indigenization failed as an effective instrument for transfering meaningful domestic participation and ownership, especially as government did not provide any effective mechanisms for indigenous majority participation. Ironically therefore, rather than produce economic independence, the scheme may have been an impediment, to the extent that it fostered the exaggeerated view or believe that economic independence can be achieved by the simple act of Nigerians acquiring ownership and management of private foreign companies operating in Nigeria, without the requisite management know-how.

With the possible exception of the civilian administration of the first Republic, which initiated and proceeded to implement a substantial part of the First National Development Plan, with some commendable results (noted in Chapter 4), the other civilian administration, (of the Second Republic), although notoriously noted for its profligacy, and corrupt mismanagement, was not privileged to initiate substantial original development plans which it executed to completion. And although its level of relative performance is noted in chapter seven, virtually all of its projects were inherited from the military administration of Generals Mohammed/Obansanjo. In the light of the above, its pereformance evaluation here is one of unavoidable relativism, and would not therefore suffice for comparative purposes.

And although the Babangida administration conceptualized (albeit with the assistance of the International Monetary Fund) and proceeded to implement SAP, which was meant to radically transform the national economy and stem the decline in the country's fortune by restoring it to the part of growth, the exercise inevitably fed into the existing dynamics of decline, thus compounding the national economic crisis. This resulted in massive devaluation of the naira, liberalization of trade, prices and interest rates, and without the benefit of support and the sustaining infrastructure, had the net effect of decimating the capacity of system sustainability. The citizenry was left hopelessly and helplessly vulnerable from a scheme whose underlying rationale was the ultimate improvement in their standard of living.

The general assessment is that SAP was a monumental failure. Its underlying premise of deregulation and "free market forces", ill-conceived and poorly – implemented, as they were, meant that gross under valuation of the national currency, high interest rates and galloping inflation completely diminished citizens' capacity for survival. By 1993, the effects of SAP were legion; the Finance Minister in the erstwhile Interim National Government (ING) commented that:

> "We cannot hide under the guise of deregulation to watch helplessly as our economy gets bastardized. We should also realize that deregulation is not synonymous with abdication of the time-honoured responsibilities of the government to ensure the direction of the economy along desired lines" (Olashore, 1993, 15, 19).

What is obvious from the fore-going is that notwithstanding the very significant circumstances that led to changes in regime (from one military government to the other); and notwithstanding further the apparent shifts in policy emphasis and spending priorities (and these were obvious in the Gowon (civil war) and Babangida (SAP) administrations), there appears to be no significant difference in socio-economic development focus or outcome. Thus supporting hypothesis (H_3) that based on outputs and outcomes, relative to overall national revenue generation (especially given near-equal revenue generation capacity) socio-economy development is not more likely under any one particular military administration. It cannot therefore be said that at any time during the life of any of the military regimes, the citizenry have had a better standard of living comparatively. Again, given equal revenue generation capacity, the underlying questions are not only one of huge resource flow, but also the prudent management of it for the improvement of societal well being.

Apparently the development plans of successive military governments in Nigeria did not only lack depth, they were pathetically short on national outlook and orientation, and this was in spite of the quasi-unitary structure of these military regimes. Apart from dearth of relevant data and requisite statistics, which impact development planning, there were also uncoordinated and unreconciled (especially with the states) individual government programmes and objectives.

Even though some of the regimes were obviously worse than others, none performed spectacularly better than the other. Except to add that the mindlessly corrupting ambience of one regime (Babangida's) may have had some very deleterious socio-economic consequences, and thus set the stage for another extremely corrupt and brutal military administration--General Abacha-- so much so that it distorts reliable comparisions, especially the endless availability of all seemingly "unaccountable" revenue sources. One who served in very important position under one of the military governments, had this to say:

> "Nigeria needs to embrace strategic planning and strict discipline in Government and industry as a way of life. Strategic planning requires a very detailed and continuing scanning of the environment and strict compliance with the plan. This requires a culture of self-discipline which we must make a way of life in this country.When we as a nation develop these attributes we surely will recognize the danger sign well in advance and take appropriate corrective action"
> (Quoted in Yusufu, 1996, 388).

Based on available evidence, including quantitative results in chapters six through eleven, there is reason to conclude that no one military regime had the superior ability to articulate and fully implement any economic development concept it formulated, let alone attain any of their stated development objectives. The results showed that productivity in the government professed critical areas (agriculture, industry, education, health and employment) were rarely attained (Yusufu, 1996, 81-86). If anything, they showed a downward regressive pattern with each successive regime from 1966 and culminating in 1999.

From the foregoing, it can only be concluded that the huge resources expended by successive military regimes to attain development and economic self-reliance is of questionable realization. And that whatever socio-economic achievements recorded at all are not commensurate with the magnitude of the resources deployed. Supporting data suggests that military governments in Nigeria changed little by way of better living conditions for the citizenry; if anything, they made them worse. This thus validates the opinion of Ruth First (1970, 22) that military coup is "a method of change that changes little" Obviously the overall poor quality of well being in Nigeria in all critical areas is as a result of changes in military governments that promised everything but changed nothing, other than exacerbate the social, political and economic conditions. Table 12.4 shows selected social indicators of standard of living, educational and health. These statistics are grim, especially haven regard to the fact that in 1960 Nigeria (without the oil boom) was ranked among the 40 richest countries in the world would in 1999 rank one of the poorest (Tell Magazine, May 11, 1998, 18; World Bank, 2000).

Selected Social Indicators

Table 12.4

S/NO	A: Standards of Living Indices	1992-94 Yearly Ave	1994-96 Yearly Ave	1996 (1997)
1.	Real GDP Growth Rate (%)	2....32	2.29	3.72
2.	Real GDP Per Capita (N)	1058.2	1044.5	1046.1
3.	Real GDP Per Capital Growth Rate (%)	- 0.50	-0.54	0.56(0.92)
4.	Current Prices GDP Per capita (N)	7571.0	18664.89	26874.26
5.	Exchange Rate (N $1.00)	24.946	62.347	69.8449 (77.54)
6.	Current Prices GDP Per Capita ($)	303.50	299.37	384.77 (320.44)
7.	Inflation Rate (% change GPI)	52.9	53.0	29.3 (15.00)
8.	Real Per Capita Private Consumption (N)	784.98	745.68	776.60 (801.03)
9.	Real Per Capita Private Consumption Interperiod Growth	N/A	-5.01 1	2.16 (3.15)
10.	Current Prices Per Capita Private	6045.07	15682.25	20834.26 (20555.53)
11.	Current Price Per Capita Private Consumption ($)	242.33	251.53	298.29 (265.10)
	B. EDUCATIONAL INDICATORS			
12.	Adult Literacy Rate	54.7	56.3	57
13.	Teacher – Pupil Radio (Primary)	1.44	1.53	1.48
14.	Teacher – Pupil Radio (Secondary)	1.25 (1990-94)	1.36	1.37

15.	% of annual Fed Govt. Allocation of Education (%)	9.5		12.9		10.8
	C. **HEALTH INDICATORS**					
16.	Life Expectancy at Birth (Years)	52		52.3		53
17.	Population Per Physicians (No)	3762		3718		3744
18.	Population Per Nursing Staff (No)	620		613		617
19.	Population Per Housing Bed (No)	1237		1446		1555
20.	Children Immunization (overall fully Immunized %)	51.5		30.4		49.1
21.	% of Population with access to Health Services (%)	66	(1985-93)	67 (1993)		N.A
22.	Population (Million)		94.125	99.528		102.318 (105.214)
23.	Population Growth Rate (%)		2.83	2.83	2.83	(2.83)

Source:

(1) CBN Annual Report and Statement of Account, 1996
(2) Nigerian Economic Society (NES): Selected papers for the 1997 Annual Conference on Poverty Alleviation Nigeria.
(3) World Bank: World Development Report 19993, 1996 and 1997.

*Figures for 1997 are indicated in brackets as N.A.—Not Available.

These states of affairs may be explained away as being due to a number of environmental peculiarities. However, the choice here is to group the most critical under two broad headings: Internal Institutional Constraints and International Constraints.

INTERNAL INSTITUTIONAL CONSTRAINTS ON REGIME PERFORMANCE

Understandably the successive military regimes in Nigeria did not transplant from a different planet or zone to suddenly begin to function in Nigeria. Essentially they are a product of what has been characterized as "low political culture" (Finer, 1975, 4-6) and of increasing “political decay” (Huntington, 1968, 1-92). So are gravely lacking in the functional support structures and institutions any government, military or civilian, needed desperately to succeed. Although the role of the bureaucrat underwent some (cosmetics) changes following any military intervention, they continued to exercise significant, if not dominant, influence over policy matters. They were singularly and heavily relied upon for advice and implementation of public policies (B.B. Schaffer, 1969, 1999; James O’Connell, 1980, 62).

Indeed, the active and perhaps near-indispensable involvements of the bureaucrats have been variously described as “military-bureaucratic diarchy”, “administocracy”, etc (Basil Oshionebo, 1995, 239-240). And unlike other structures or organizations connected with the deposed regimes, which were either disengaged or made redundant, the Nigerian bureaucrat tended to emerge from the “revolutionary dust” unscathed and often times, more powerful.

Understandably, military revolutionaries are not particularly schooled in the act of government, neither are some of then (regimes) very clear or certain on what to do or policies to implement, upon assuming control of government (Anton Bebler, 1973, 38; Baynham 1988, 220). The reliance on the bureaucrats seems to be total. Oshionebo notes that:

> “...Senior civil servants were in the limelight because the military administration, on assumption of office, did not have clear-cut, articulated and coordinated programes which it was committed to implement. It therefore relied heavily on the professional skills of the civil service for the initiation and formulation of policies. In order words, from the position of a prompter in the wings of a stage, the civil servant was feared to have become the lead actor in the center stage” (1995, 240).

Following the 1966 coup, there evolved in Nigeria a feature characterized as “military democracy” and the reign of “super permanent secretaries”. It was a level of active policy participation that Shehu Shagari, then a federal Commissioner for Finance under General Gowon (he emerged as the second republic civilian President) had this to say:

> "In a military regime actually, the policies are formulated by the civil servants themselves, not by the military, not by the commissioners. It is the civil servants themselves who formulate policies and execute those policies. That is the position in a military regime...under military rule, when a commissioner and his permanent secretary were in disharmony, it was the commissioner who was removed" (quoted in Adamolekun, 1986, 118).

It follows that the military reliance on the bureaucracy created new dimensions and complications for an institution (civil service) that was over-routinized, over-specialized and inflexibly hierarchical. Essentially the civil service embodied features that were not amenable to individual regime's new policy initiatives and creativity; it was continuity without changes or innovation. In the circumstances, it was impossible to differentiate one regime from the other, at least in their policy retention and continuity. The "Federal character" of the country's civil service structure, compounded this state of affairs, since it mandated regional (ethnic) representation, without discriminatory technocratic preferences. The bureaucrat essentially saw himself/herself as fulfilling chiefly partisan functions in all spheres of their activities. The disposition was the same, regardless of whether it was implementing political goals, articulating, regulating or implementing other policies. It also meant that pressures from the different states, reflecting the federal character, to include far too many projects in the development plans than available implementation resources and capacity can carry.

Understandably the consequences would include policies that are not national in focus and orientation. And since in Nigeria, government is the dominant economic actor, the civil servants have come to exert a great influence on the direction of economic activities and development (S.N. Eisenstadt, 1968, 286-293). Indeed it was obvious that if the economic recovery and adjustment programmes (under SAP) were to succeed the government needed to reappraise the bureaucratic institutional framework within which they were to be implemented, especially by streamlining the policy-making and implementing processes and to inculcate in the civil service a sense of purpose and urgency. The World Bank Annual Report, 1988 in noting their critical role had this to say:

> "To keep the adjustment process going, there is a need for institutional development, that not only fosters effective macro-economic management, but also builds an internal capacity for policy analysis and implementation" (World Bank, 1988, 88).

The role of the civil service was most articulated by The Political Bureau, set up by General Babangida, as part of his radical transformation of Nigeria's political and economic landscape:

> "It is clear that the civil service occupies a very strategic position in the social, economic and political development of this country. It is the most central of the institutions of government, which in our recommendation, should be the prime mover of the social and economic development of this country. The role of the civil service will become even more crucial in the achievement of the goals and aspirations of the new philiosophy of government outlined in this Report. Indeed, the implementation of the recommendations of this report, as with similar reports will depend very much on the civil service" (Alex Gboyega and Yaya Abubakar, 1986, 8).

For an institution in which so much is reposed by way of functional and implementation responsibility, it is important to note some peculiar features of the institution:

1. High incidences of corruption;
2. Lack of qualified personnel;
3. Limited functional specialization;
4. Over-centralization, poor coordination, lack of autonomy or initiative; and
5. Inadequate communications and overlapping between different levels, departments and ministries.

These sources of weakness have remained untackled by successive military governments. According to Chijioke Dike, the civil service continues to be criticized for "poor organization, planlessness and over staffing, indiscipline, red-tape and secrecy, insensitivity, rigidity and over-centralization, conservatism and lack of imagination, apathy, incompetence and lousiness, corruption and favoritism, rudeness and high handedness laziness, truancy and malingering" (quoted in Alex Gboyega, 1995, 260). That there are persistent problems of national development underimplementation in Nigeria is hardly surprising (O'Connell, 1980, 55-71; Adedeji, 1980, 72-77). According to Adamolekun, "the verdict is inescapable that the senior administrators share part of the blame for the mismanagement of the national economy between 1979 and 1983" (quoted in Gboyega, 1995, 261).

As was noted in chapter four, communication among the different regions on the one hand and the different ministerial departments on the other, made it difficult for uniform policy objectives to be constructively formulated and implemented. Indeed Gordon Idang (1980, 34-52) believes that a major deficiency in Nigeria's economy development planning was the inadequate provision for communication and coordination among relevant department and agencies.

The problem of bureaucratic corruption is one of pernicious persistence. The degree was degenerational with successive military regimes. It extends from high-ranking civil servants who embezzle millions of dollars in state funds, to those at the lower levels who extort bribe or "tip" for the simplest of their official responsibilities. That the Gowon administration was becoming increasingly undermined by corruption was chiefly the unbridled conduct of some of his very powerful senior servants (Turner, 1978, 174). It has also been suggested that an attempt by Gowon and one of his permanent secretaries to suppress a document prepared by technocrats at the Nigerian National Oil Corporation and highlighting gross mismanagement was the direct antecedent to an internal army coup (Bevan, Collier and Gunning, 1999, 60).

The situation had become exasperatingly chronic and sufficiently debilitating that the Mohammed/Obasanjo regime adopted what may be characterized as shock therapy to deal with the problem; a measure, which in 1975 featured the mass retrenchment and dismissal of corrupt civil servants. That some have argued that this singular bold act of redeeming a critical public institution had the unintended effect of making the civil service insecure and precipitating more avaricious form of unbridled corruption (Ayida 1979, 226), attests to the convoluted process of rationalization and condonement. That policy makers failed to continue to nip the continuing and persistent evolving civil service corruption in the bud, meant that by the time General Babangida assumed power in 1985 and when he "stepped aside" in August 1993, corruption had become second nature not only in the civil service but the larger society where it was now baptized and legitimized as "settlement".

Apart from bureaucratic corruption, perhaps the other most singular constraint on regime performance in Nigeria was the level of military leadership corruption that permitted the introduction of new lexicon "lootocracy", "kleptocracy" "kletomania"--- in describing the mindless looting and conversion of public fund and property. It is also important to observe that these acts of corruption were extended to friends, relatives and clients who received appointments, contracts and other illegitimate favours.

With the possible exception of the Mohmmed/Obasanjo and Buhari military regimes that were believed not to be leadership-corrupt (although corruption was still prevalent within the larger society during their tenure), all the other military leaders, especially from General Babangida, showed a level of mindless corruption that it was strange and extremely strange not to be corrupt in the system. It has also been suggested that General Gowon may not have been corrupt personally, but that he lacked leadership capacity to control his subordinates, including his notorious and all-powereful "super permanent secretaries".

It was perhaps during General Babangida's regime that corruption in the country was elevated to a fine art. It has been suggested that never in his eight years plus, of leadership, did he even admonish at least publicly of curbing corruption (Gana, 1995, 100; Mustapha, 1999, 277-291). From General Babangida through Generals Abacha and Abubakar, the story is one of mind-burgling unbelievability.

> "...the years of economic crisis and structural adjustment produced an outcome in which centralized power was increasingly personalized in the office of the president and within that framework, corruption at the highest levels of government not only was able to bloom but, in fact, assumed the status of primary objective and directive principle of state policy" (Democracy in Nigeria, 2000, 94).

Over $2 billion of public funds have been recovered from the family of General Abacha since his death. General Abubakar is alleged to have massively looted the public treasury at the eve of his hand-over to the current civilian president on 29th May 1999 (Vanguard July 27, 2001).

It is not difficult to see the negative impact of corruption in the economic development of any country. Not the least in one in which there is wholesale corruption of the system and process, and in which gross mismanagement is only viewed as a better evil than outright corruption. The country's problems were not limited to looting of public treasury by leadership and administrators; they also involved extravagant life styles by them at public's expense. In addition to corruption these rapidly depleted the national treasury and resource capacity making it impossible to attain any sustainable economy development parity.

As resources were brazenly diverted to serve private and partisan sectional ends, the national infrastructure, ranging from the educational and health institutions to road and rail network, the entire power and energy sector, were allowed to go into decay with far-reaching consequences for both the economy and society.

Related to the high incidences of corruption, and perhaps the underlying, even if unjustifiable rationale for it, is the usually brief duration of the military regimes. "Coups beget coups". This is especially the case in a highly politicized military institution like in Nigeria (Huntington, 1964, 194), where it appears intervention is political in nature. And as the experience in the country will show with so many coups and counter-coups, "the army acts for army reasons; a military coup needs the participation of a professional army or core-officers, but it needs not be precipitated, or even planned, by the military for military reasons" (Ruth First, 1970).

Because of the uncertainty in the duration of their tenure, policies seem poorly thought-out; and when they seem well thought-out, are hardly fully implemented by their originators. The adhoc nature of the process and the persistent sense of job/position insecurity do not only encourage precipitous corrupt activities, it also rapidly indulges the concentration of rather scarce resources in the desperate attempt to secure the office and position. The very disproportionate allocations in the budget (see Table 12,1, 12,2, and 12.3) attest to this misallocation.

Another institutional constraint of military rule in Nigeria has to do with the destruction of fledging democracies. Democracy is an art, and democratic institutions are learning classrooms for the perfection of the process. The impatience of the military to promptly intevence to sack a sitting democratically elected government, at the slightest of missteps has only created a grave underdevelopment in an area that is patently crucial in the development of any country; especially given its participatory and inclusive imperatives. Military rule in Nigeria has gravely contributed to the decline in the political skills of future civilian leadership. The country's first Republic was sacked after only six years and the second only after four years. For a country forty years old (following independence), a total of 10 years is hardly enough learning time. This fact perhaps explains the rancorous and almost immature performance of political actors in the country's current third republic.

INTERNATIONAL CONSTRAINTS ON REGIME PERFORMANCE

In addition to internal institutional factors, regime performance may also be affected by external and/or international constraints. The significance of this factor must be appreciated against the backdrop of a rapidly globalising market economy; where the market liberalizing activities of multilateral organizations like World Trade Organization (WTO) have encouraged an international investment environment that have simultaneously created equally attractive and equally rewarding investment-friendly, low-risk alternative countries, like those in South East Asia.

Military governments, often times evolve, at least initially, by supplanting a constitutional democracy, like in the case of Nigeria. And because military usurpation is not a process adjudged legal and constitutionally acceptable, foreign governments and multinational corporations and investors are particularly weary of dealing with an institution they consider wayward and lacking in its regard for constitutional due process. Organizations are concerned about continuity and predictability, components that are not expected or even guaranteed in a continuing military government. Besides, in the current world dominant democratic dispensation, where America and the democratic West hold sway, military governments in large parts, are looked upon as pariah states (Nigerian under General Abacha, for example). The result is that economic aids that flow freely from these donor countries are suspended, oftentimes for the life of the military regimes. The impact of this kind of action on the ability of the country to promote and implement stated national development policies and plans could be enormous. The effects on a country like Nigeria can be immeasurable; especially because in its case successive development plans have relied on foreign sources for substantial portions of planned capital expenditure (Idang, 1980, 42).

It is also interesting to note the role of the Bretton Wood institutions. For apart from its institutional role under the Bretton Wood protocol, the World Bank and the IMF have essentially assumed another, and perhaps more critical role, that of "validator" institutions; in that, they determine and project for good or bad the economic and financial profile of any developing country, of which Nigeria is one. And their determination carries a lot of weight, if not the ultimate criteria for determining national credit or loan worthiness or eligibility. For example, the demise of the Buhari government is attributable mainly to the regime's inability to reach consensus with the IMF, as a first step to negotiating debt rescheduling with the London and Paris clubs. It is also believed that in the desperation to gain the institution's approval and credit worthiness ranking, the Babangida administration evolved and implemented a most devastating and poorly thought-through structural adjustment programme; the net effect of which was to consign Nigeria to the ranks of poorest African nations, with over 80 per cent of its citizens living below poverty line, by the end of the 1990s.

The world market economy is another international constraint, which might affect regime performance in Nigeria. Most countries in Africa, including Nigeria, depend on earnings from exports of raw materials (cocoa, coffee, groundnut etc) including metals and oil, for revenue to fund their budgetary expenditures and development plans. Unfortunately, these commodities are highly susceptible to the vagaries of the international market place. For example, during President Shagari's administration, the slump in the world oil price for crude affected gravely government income and expenditure. According to Beven, Collier and Gunning (1999, 73), most of the fall in income was borne by the public sector, as public consumption was protected by reducing the pubic savings rate from 32 to 6 per cent.

The excessive dependence by successive military regimes on revenue from oil exports, to finance their economic and development programmes proved detrimental to the nation's economic development. Although during the General Buhari administration (1984-1985) the slump situation improved modestly, General Babangida's administration was immediately faced with a crash so severe in its full year in office, 1986, real income fell by more than 20 per cent ---- an unprecedented decline, even by the harsh standards of the preceding years (Bevan, Collier and Gunning, 1999, 72).

Although there is consensus that international factors have a major impact on the ability of African state, including Nigeria, to develop (Andreski, 1969; Rodney 1974; Amin 1976), there are reasons to conclude that the military leadership in Nigeria has not helped the economic development situation by the policy options they adopted. Apart from a failure to diversify the economy and make it less vulnerable to the vicissitudes of primary product world market, successive regimes in Nigeria have lacked the leadership capacity to implement policies that are sensitive to changing economic conditions. The result is that in Nigeria, government is compelled to utilize deficit financing by borrowing heavily internally and externally (Olayiwola, 1987, 139).

The failure of successive military regimes to pay more than the lip-service to the development of agriculture, among others, which would have diversified the production and export base of the economy, as well as improve the attractiveness of life in the rural areas, have created a situation where the country is unable to feed its over 120 million citizens. The result is the dissipation of scarce resources that otherwise should go to other areas of national development, to import food.

CONCLUSION

Although overall it would appear that successive military regimes in Nigeria have been equally inefficient and ineffective in their efforts to realize specific socio-economic objectives, some have been more so than others. A closer look at the different military regimes with respect to intrinsically desirable economic and political objectives, would reveal some glaring differences between the regimes; especially levels of corruption and mismanagement. According to African Confidential, some $3-4 billion were reportedly siphoned off oil deals by the ruling elites and their business partners in less than four years between 1993 and 1997 (24 October, 1997). In comparison the country's total government revenue from oil was $12 billion in 1997 (Guardian, Lagos, 19 February, 1998). And among other financial arrangements, more than $2 billion allocated to the Nigerian National Petroleum Corporation (NNPC) for refinery repairs in the period 1993-1995 cannot be accounted for, even as the refinery remain unrepaired. The last four successive regimes – Buhari, Babangida, Abacha and Abubakar – have been spectacular. The Buhari regime may have exhibited a level of arbitrariness and lack of creativity in the issues of institutional political development as it indiscriminately locked up all manner of perceived opposition: politicians, trade unionists, students and professionals, that dared criticize or adversely comment on its policies. It also locked up politicians it believed were corrupt without giving them the benefit of a trial. The administration's human rights abuse and drastic curtailment of press freedom was notorious. It promulgated in quick successions, Decree No 4, to curb press freedom; Decree No 2, for the preventive detention of opponents on security grounds. It went further to proscribe all demonstrations, processions, and unauthorized meetings.

The Babangida and Abacha regimes may be described as a seamful continuation of the same process, albeit with different leaderships. They both essentially evolved the same style of political and economic transition processes: transition without change. It has been suggested that the country's experiences with both administrations were not particularly different; except that one (Babangida) showed obvious sophistication in his display of reprehensible conducts. It would appear that he possessed what phychogists would refer to as "split personality", with as much capacity to do evil as he was to do good and an eternal craven to be "liked". Those characteristics were on display at every turn in his eight years, plus in office. Abacha, on the other hand, was cruder and much more brutal. According to Mustapha, "if Babangida was Machavelli's low and cunning fox, Abacha was his mean-spirited and iron-fisted lion, mindless of the rationality of the exercise of power. Unfortunately, both 'Princes' also had scant regard for the interest of their 'subject' the "principality" (1999, 278-179). It is also yet to be fully determined which was more corrupt (Babangida's or Abacha's administration), as they both exhibited a level of corruption that was unknown in the history of he country. The Abubakar's regime, overall impact on economic policy is negligible, except when calculated the mismanagement and corruption that attended his transition programme and short stay in power (This Day, Lagos, 20 July, 2001); and the fact that he successfully implemented a transition programme that had been more than 16 years in the making.

The Gowon and Mohammed/Obasnjo regimes operated within what have been described as benevolent military dictatorship, with a high degree of meaningful public participation; in that they did not, by military governments' standards, indulge the kinds of excessive abuses of processes and institutions, including unabashed corruption that attended especially the last three military administrations – Babangida, Abacha and Abubakar. Indeed it is believed that the military governments' collective efforts at seriously initiating and fully implementing infrastructural development projects were only earnestly attempted under the regimes of Gowon and Mohammed/Obasanjo. Whether they attained their overall goals or targets are another matter; and one that need be evaluated relative to resource availability, management and other variables.

Regime performance in Nigeria has been even more dismal in the sphere of political development. Upon assuming power, the Nigeria military rulers, as a standard *modus operandi*, sack virtually all the political institutions in place, as well as restrict the free flow of the political processes and force politicians into long periods of hibernation, as it were, depriving them of the opportunity to acquire much needed political skills. Thus perpetuating, in the words of Maniruzzaman, the chains of political underdevelopment (1987, 12). In Nigeria, that process of political institutional underdevelopment and restricted participation, started early, following the coup of January 15, 1966, barely six years after political independence from Britain.

If development be defined in part, as a process that encompasses improvements in essential activities of engineering society, the lack of avenues to develop and improve on political skills would necessarily lead to the underdevelopment of the larger society and its critical institutions; especially as political skills also entails human development management skills. The military's failure in this regard has serious development consequences. And as was observed by Maniruzzaman (1987, 7), periods of military rule is usually a total waste, as far as the development of political skills are concerned.

Perhaps as important to regime performance in Nigeria is the issue of human rights violations. As Robert Jackman (1986, 228), notes "military regimes, on average are more repressive than non-military ones". Unfortunately this is a case of an institutional mentality that fails to take cognizance of changing roles, from that of a military trained in the maximum application of force in the protection and preservation of the nation state, in the event of national security threats and a (military) administration or government, with a new role, whose primary responsibility is the management and execution of state affairs for the social welfare of its citizenry. Apparently, the military regimes' in Nigeria lack this transformational capacity, such that when confronted with a problem that could otherwise be resolved by dialogue, promptly resorts to its specialization – maximum use of force. In the words of Claude Welch, "Devised to use force in the most efficient manner, armies have a natural proclivity to turn to violence rather than palaver, to repression rather than compromise" (1971, 226).

Human development is a function of 'leadership' regard for human potentials. And mechanisms and processes engineered and perpetrated by leadership disregard for these go to demonstrate lack of (leadership) capacity. And in any case, human rights abuses go further than the total disregard of human dignity. It is the process of complete denigration of human value and worth that goes to the very essence of human and societal development. It is not surprising therefore that a system that can denigrate human value and worth with ease would lack the capacity to appreciate those essential components of human development – education, health and social welfare. Which may really account for the conducts of the last three military administrations, immediately preceding the fall of the second republic – Buhari, Babangida and Abacha. They freely and indiscriminately closed institutions of higher learning, sacked lecturers, and physicians; and freely banned unions and organizations that as much as disagreed or criticized their policies.

It would not be inappropriate at this point to venture that at the end of the day, what seems most important is whether any (or all) of the military regimes in Nigeria has brought about any positive economic development changes in the country. For example, did the regime perform better than its predecessor, by revering negative socio-economic trends, such as political abuse and corruption, reduce inflation, unemployment, the national debt or increasing agricultural and industrial productivity? The basic finding of this study is that no single military regime in Nigeria exhibited a consistent ability to achieve its stated objectives, and none appeared to possess the unique capacity for dealing effectively with the dominant issues of national development and overall societal well-being.

However, as earlier noted in chapter one, available data on Nigeria lack the reliability needed to permit the establishment of cause-and-effect relationships with great confidence. Consequently, the outcome of contemporary empirical research under-takings that employ these data, including this effort, should be interpreted with particular caution.

Although this effort was basically intended to evaluate military regimes and economic development in Nigeria, in the course of this exercise however, the enabling analysis consistently turned on the unique role and activities of state bureaucrats. Apart from being a holdover from sacked civilian regimes and some times, toppled military regimes, the civil servant seems to be a permanent feature in both policy formulation and implementation of successive military administrations. How their role and activities impact policy and goal realization is an area that requires serious study. This line of inquiring is particularly relevant because, although successive military regimes have come to government espousing their own brand of economic development philosophies, they have nonetheless turned to the same corrupt, conservative, red-tapped, secretive, insensitivity and rigidly over-centralized bureaucratic institution (Alex Gboyega, 1995) for implementation. And according to Adamolekun, the verdict is one of culpability

(1986, 170). Would a change in the channels of policy formulation and implementation been different and more effective of each successive regime imported wholesale, its own policy teams? This is an area that needs further exploratory study. And whether the lack of performance is due to the military's lack of superior ability or the inadequacies of the support institutional infrastructure they are compelled to work with or within needs evaluation.

At the core of any economic policy initiative or agenda are four overriding development challenges; what Stiglitz notes need attention: improvements in income distribution, environment, health and education. (Quoted by Kaushik Basu, 2000, 64). The available data on Nigeria suggest that the military not only underdeveloped the country, in light of available resources, they also created a vicious circle that has perpetuated the conditions of economic, social and political underdevelopment that was indeed the original impetus or justification for intervention.

In the light of the above, it would appear that the challenge for the Third Republic administration is how to grapple with the myriad of problems created by more than 29 years of military underdevelopment, although ironically the president under the current civilian dispensation was himself one of the military rulers whose performance in government is the subject of this research. That the current civilian administration chose poverty alleviation as an immediate short-term policy priority only attests to the level, which the citizenry has collectively sunk. Poverty in the country meets the classical definition given by the World Bank in its 1980 World Development Report: "...absolute poverty—a condition of life so characterized by malnutrition, illiteracy and disease as to be beneath any reasonable definition of human decency" (World Bank, 1980, 32). The administration has budgeted NG10 billion for the creation of some 200,000 new jobs during the course of 2000 financial year. Revisiting the public sector pay structure with a view to raising the overall remuneration package for all categories of employees is hoped to enhance their purchasing power.

After many years of corruption, mismanagement, and IMF/World Bank-sponsored structural adjustment programme, with its emphasis on exchange-rate depreciation and demand management that completely impoverished the citizenry, a new long-term economic policy direction needs be articulated. One that would not only enthrone prudence and probity in the management of public affairs, especially finance, but evolve the maximum deployment and application of policy instruments that improve education, health, growth performance, generate jobs, improve wage sector incomes, revive industry and agriculture, improve infrastrucrural facilities (in transportation, power and energy and tele communications). Perhaps as important would be the efforts to generate non-oil revenues, including the enhancement and professionalization of the tax revenue generation capacity in the country.

These can only be achieved by articulating a clear and comphrensive framework for economic development policy design and implementation. Policies that are ad hoc and short-term have a way of discouraging investment, especially foreign investments. Government would have ensured a level of predictability and consistency in its policy articulation and implementation. Indeed the current civilian administration is exhibiting disturbing levels of inconsistency and unpredictability in its policy formulation and implementation, especially in the areas of privatization, public sector wage review and general goods import policy (The Guardian, August 14, 2001).

In conclusion and perhaps in some not too straight forward a logic or contention, the best insurance policy the country's third republic has against future military intervention is to formulate implement socio-economic policies that are both human-development relevant and actually improve the standard of living of the citizenry. Another is the evolution of the culture of political tolerance and accommodation that is devoid of mindless corruption. The challenge of this administration and any future civilian administration is that they have to succeed in the articulation and implementation of policies that improve the standard of living of the citizenry in all of its critical components to keep from military intervention.

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